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UNITED STATES OF AMERICA

VS.

IONIA MANAGEMENT, S.A.

SPECIAL MASTER'S HEARING

OCTOBER 19, 2011

9:00 A.M.

HELD AT UNITED STATES DISTRICT COURT

141 CHURCH STREET

NEW HAVEN, CONNECTICUT

DEL VECCHIO REPORTING

STAMFORD

NEW HAVEN

HARTFORD

(203) 245-9583

<p style="text-align: right;">Page 2</p> <p>1 25</p> <p>2</p> <p>3 DEL VECCHIO REPORTING</p> <p>4 (203) 245-9583</p> <p>5 2</p> <p>6 1 A P P E A R A N C E S:</p> <p>7 2 FOR THE UNITED STATES OF AMERICA:</p> <p>8 3</p> <p>9 3 SPECIAL MASTER ROBERT BUNDY, ESQ.</p> <p>10 4 DORSEY & WHITNEY, LLP</p> <p>11 4 1031 West Fourth Avenue</p> <p>12 5 Anchorage, Alaska 99501-5907</p> <p>13 6</p> <p>14 7 DAVID O'CONNELL, ESQ.</p> <p>15 7 U.S. DEPARTMENT OF JUSTICE</p> <p>16 8 ENVIRONMENTAL & NATURAL RESOURCES DIVISION</p> <p>17 8 P.O. BOX 23985</p> <p>18 9 L'Enfant Plaza Station</p> <p>19 9 Washington, D.C. 20026-3985</p> <p>20 10</p> <p>21 11 JAMES H. SANBORN</p> <p>22 11 SANBORN, YEARWOOD & ASSOCIATES</p> <p>23 12 324 Keller Road</p> <p>24 12 Berwyn, Pennsylvania 19312-1452</p> <p>25 13</p>	<p style="text-align: right;">Page 4</p> <p>1 1</p> <p>2 2</p> <p>3 3</p> <p>4 4</p> <p>5 5</p> <p>6 6</p> <p>7 7</p> <p>8 8</p> <p>9 9</p> <p>10 10</p> <p>11 11</p> <p>12 12</p> <p>13 13</p> <p>14 14</p> <p>15 15</p> <p>16 16</p> <p>17 17</p> <p>18 18</p> <p>19 19</p> <p>20 20</p> <p>21 21</p> <p>22 22</p> <p>23 23</p> <p>24 24</p> <p>25 25</p>
<p style="text-align: right;">Page 3</p> <p>1 13</p> <p>2 14 CAPTAIN RICHARD C. WIGGER, USCG (RET.)</p> <p>3 14 COMPLIANCE SYSTEMS, INC.</p> <p>4 15 Hamilton House</p> <p>5 15 26 East Bryan Street</p> <p>6 16 Savannah, Georgia 31401</p> <p>7 16</p> <p>8 17 CHANNING D. BURGESS, LCDR</p> <p>9 17 UNITED STATES COAST GUARD</p> <p>10 18 2100 2nd Street, SW STOP 7581</p> <p>11 18 Washington, D.C. 20593-7581</p> <p>12 19</p> <p>13 20 MICHAEL ANTONELLIS, COMMANDER</p> <p>14 20 UNITED STATES COAST GUARD</p> <p>15 21 FIRST DISTRICT LEGAL OFFICE</p> <p>16 22 FOR IONIA MANAGEMENT, S.A.:</p> <p>17 23 MICHAEL G. CHALOS, ESQ.</p> <p>18 23 GEORGE K. KONTAKIS, ESQ.</p> <p>19 24 CHALOS, O'CONNOR & DUFFY</p> <p>20 24 366 Main Street</p> <p>21 25 Port Washington, New York 11050</p> <p>22</p> <p>23 DEL VECCHIO REPORTING</p> <p>24 (203) 245-9583</p> <p>25 3</p>	<p style="text-align: right;">Page 5</p> <p>1</p> <p>2 DEL VECCHIO REPORTING</p> <p>3 (203) 245-9583</p> <p>4 4</p> <p>5 1 S T I P U L A T I O N S</p> <p>6 2 It is hereby stipulated and agreed by and</p> <p>7 3 between counsel for the respective parties that all</p> <p>8 4 formalities in connection with taking of this</p> <p>9 5 deposition, including time, place, sufficiency of</p> <p>10 6 and the authority of the officer before whom it is</p> <p>11 7 being taken may be and are hereby waived.</p> <p>12 8 It is further stipulated and agreed that</p> <p>13 9 objections other than as to form are reserved to</p> <p>14 10 the time of trial.</p> <p>15 11 It is further stipulated and agreed that a</p> <p>16 12 Notary Public may notarize said deposition.</p> <p>17 13 It is further stipulated and agreed that the</p> <p>18 14 deposition is to be filed with the Superior Court at</p> <p>19 15 , Connecticut upon request.</p> <p>20 16</p> <p>21 17 * * * * *</p> <p>22 18</p> <p>23 19</p> <p>24 20</p> <p>25 21</p>

<p style="text-align: right;">Page 6</p> <p>1 22</p> <p>2 23</p> <p>3 24</p> <p>4 25</p> <p>5</p> <p>6 DEL VECCHIO REPORTING</p> <p>7 (203) 245-9583</p> <p>8 5</p> <p>9 1 SPECIAL MASTER BUNDY: This is the final</p> <p>10 2 Special Master's hearing, at least it's the</p> <p>11 3 sixth one, and it's October 19th, 2011, we're</p> <p>12 4 at the courthouse in New Haven, Connecticut.</p> <p>13 5 My name is Robert Bundy, the Special Master.</p> <p>14 6 James Sanborn, the independent corporate</p> <p>15 7 consultant, and Captain Richard Wigger, the</p> <p>16 8 independent environmental consultant are</p> <p>17 9 present, and if everybody could go around the</p> <p>18 10 table and everybody can identify themselves,</p> <p>19 11 and, lastly, we'll finish up with the witness,</p> <p>20 12 Miss Tsochlas.</p> <p>21 13 MR. CHALOS: Mike Chalos on behalf of</p> <p>22 14 Ionia. I'm here with George Kontakis sitting</p> <p>23 15 to my right, and Mr. George Karagiorgis on</p> <p>24 16 behalf of Ionia. And, of course, the witness,</p> <p>25 17 Miss Tsochlas.</p>	<p style="text-align: right;">Page 8</p> <p>1 14 Wigger, we'll interrupt. And I think that</p> <p>2 15 sounds chaotic, but I think it's worked okay in</p> <p>3 16 the past, so that's what we'll do.</p> <p>4 17 So, if the Court Reporter would please</p> <p>5 18 swear both Miss Tsochlas and Mr. Karagiorgis,</p> <p>6 19 and I'm sorry for the way I pronounce your</p> <p>7 20 name.</p> <p>8 21</p> <p>9 22</p> <p>10 23</p> <p>11 24</p> <p>12 25</p> <p>13</p> <p>14 DEL VECCHIO REPORTING</p> <p>15 (203) 245-9583</p> <p>16 7</p> <p>17 1 KRYSTYNA TSOCHLAS, of 12 Laskou Street, Piraeus,</p> <p>18 2 Greece, was called as a witness and duly sworn by</p> <p>19 3 the Court Reporter, was examined and testified as</p> <p>20 4 follows:</p> <p>21 5</p> <p>22 6 GEORGE KARAGIORGIS, of 4 Parssou Street, Nikea,</p> <p>23 7 Piraeus, was called as a witness and duly sworn by</p> <p>24 8 the Court Reporter, was examined and testified as</p> <p>25 9 follows:</p>
<p style="text-align: right;">Page 7</p> <p>1 18 MR. BURGESS: Channing Burgess, U.S. Coast</p> <p>2 19 Guard, designated representative from the Coast</p> <p>3 20 Guard.</p> <p>4 21 MR. ANTONELLIS: Mike Antonellis, First</p> <p>5 22 District Legal Office, U.S. Coast Guard.</p> <p>6 23 MR. O'CONNELL: David O'Connell with the</p> <p>7 24 Environmental Crime Section, Department of</p> <p>8 25 Justice.</p> <p>9</p> <p>10 DEL VECCHIO REPORTING</p> <p>11 (203) 245-9583</p> <p>12 6</p> <p>13 1 SPECIAL MASTER BUNDY: I think we'll</p> <p>14 2 proceed like we usually do, we'll swear in Miss</p> <p>15 3 Tsochlas and Mr. Karagiorgis, and then we'll</p> <p>16 4 proceed, and I understand, as usual, you've</p> <p>17 5 prepared a PowerPoint that you've provided to</p> <p>18 6 everybody, and we've all had a chance to look</p> <p>19 7 at it, and so, what I would ask is after you're</p> <p>20 8 sworn, we can begin and you could take us</p> <p>21 9 briefly through this, and let's do it like we</p> <p>22 10 did before, where we'll go slowly, or briefly,</p> <p>23 11 through it, I should say, and if people have</p> <p>24 12 questions, be it the Coast Guard or your own</p> <p>25 13 counsel or myself or Mr. Sanborn or Captain</p>	<p style="text-align: right;">Page 9</p> <p>1 10</p> <p>2 11 SPECIAL MASTER BUNDY: We'll start off,</p> <p>3 12 Miss Tsochlas, if you would introduce the</p> <p>4 13 PowerPoint that you've put together and we'll</p> <p>5 14 start going through it.</p> <p>6 15 MS. TSOCHLAS: Okay. So, we've prepared a</p> <p>7 16 PowerPoint based on the agenda.</p> <p>8 17 SPECIAL MASTER BUNDY: Could you talk</p> <p>9 18 closely into the microscope?</p> <p>10 19 MS. TSOCHLAS: Is that better?</p> <p>11 20 SPECIAL MASTER BUNDY: Yes.</p> <p>12 21 MR. CHALOS: And keep your voice up.</p> <p>13 22 THE WITNESS: Okay. I'll try.</p> <p>14 23 SPECIAL MASTER BUNDY: Before you start</p> <p>15 24 off, there's one thing that's important to</p> <p>16 25 consider as we go through this and that as to</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 8</p> <p>21 1 each one of the topics that you've addressed,</p> <p>22 2 one of the things that we're interested in is</p> <p>23 3 what difference is in the company from 2008</p> <p>24 4 when this all -- when the probation started</p> <p>25 5 until today.</p>

<p style="text-align: right;">Page 10</p> <p>1 6 MS. TSOCHLAS: Okay.</p> <p>2 7 SPECIAL MASTER BUNDY: And as you go</p> <p>3 8 through those, please emphasize that.</p> <p>4 9 MS. TSOCHLAS: So, shall we start?</p> <p>5 10 SPECIAL MASTER BUNDY: Yes.</p> <p>6 11 MS. TSOCHLAS: So, the PowerPoint was</p> <p>7 12 prepared based on the agenda that was issued by</p> <p>8 13 you this year.</p> <p>9 14 The first item is how we have developed</p> <p>10 15 effective procedures for our crew members to</p> <p>11 16 maintain accurate and verifiable written</p> <p>12 17 records regarding Waste Management in the</p> <p>13 18 engine room, and this will also include the</p> <p>14 19 findings from our internal audit system, and</p> <p>15 20 the findings from the IEC, independent</p> <p>16 21 environmental consultant's shipboard audits.</p> <p>17 22 The second item is how we maintain</p> <p>18 23 shipboard records in accordance with paragraph</p> <p>19 24 4A of the scope of work. Here, again, we also</p> <p>20 25 have a look at the nonconformities issued</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 9</p> <p>25 1 during internal audit, and the findings made by</p>	<p style="text-align: right;">Page 12</p> <p>1 DEL VECCHIO REPORTING</p> <p>2 (203) 245-9583</p> <p>3 10</p> <p>4 1 scope of work.</p> <p>5 2 So, shall we move onto the first item,</p> <p>6 3 which is how we've developed procedures for our</p> <p>7 4 crew members to maintain written records of</p> <p>8 5 Waste Management processing in the engine room.</p> <p>9 6 So, we have a developed a number of</p> <p>10 7 procedures that we have incorporated in our</p> <p>11 8 environmental management plan regarding Waste</p> <p>12 9 Management within the engine room.</p> <p>13 10 Now, the procedures, I haven't put them in</p> <p>14 11 order of significance, I've put them in order</p> <p>15 12 as I've found them in our environmental</p> <p>16 13 management plan.</p> <p>17 14 SPECIAL MASTER BUNDY: Could I stop you</p> <p>18 15 and just ask you a question about the</p> <p>19 16 environmental management plan?</p> <p>20 17 MS. TSOCHLAS: Of course.</p> <p>21 18 SPECIAL MASTER BUNDY: When did you</p> <p>22 19 institute or start working on the environmental</p> <p>23 20 management plan?</p> <p>24 21 MS. TSOCHLAS: We originally had an</p> <p>25 22 environmental management plan that was</p>
<p style="text-align: right;">Page 11</p> <p>1 2 the IEC during the shipboard audit.</p> <p>2 3 The third item is how we've installed the</p> <p>3 4 SWOMS on board our vessels in accordance with</p> <p>4 5 paragraph 4B of the scope of work.</p> <p>5 6 The fourth item is how we've developed a</p> <p>6 7 procedure in order to analyze and compare our</p> <p>7 8 shipboard records with the electronic records</p> <p>8 9 produced by the SWOMS and how we are in</p> <p>9 10 compliance with the scope of work.</p> <p>10 11 The fifth item is the system and</p> <p>11 12 procedures we've developed in order to ensure</p> <p>12 13 we have a culture of environmental compliance</p> <p>13 14 on board our vessels and in our company. This</p> <p>14 15 will include our management structure, the</p> <p>15 16 independence of the people who are responsible</p> <p>16 17 for ensuring environmental compliance, the</p> <p>17 18 development and implementation of our</p> <p>18 19 environmental management plan, our training</p> <p>19 20 program, and how we have brought about</p> <p>20 21 successful and positive changes in our culture</p> <p>21 22 in the company.</p> <p>22 23 And the sixth item is how we have</p> <p>23 24 implemented the minimum engineering risk</p> <p>24 25 mitigation measures and they are set out in the</p>	<p style="text-align: right;">Page 13</p> <p>1 23 incorporated into our safety management system</p> <p>2 24 and was based on the requirements of item</p> <p>3 25 14,001 and then following the order that was</p> <p>4</p> <p>5 DEL VECCHIO REPORTING</p> <p>6 (203) 245-9583</p> <p>7 11</p> <p>8 1 carried out by Captain Wigger onboard the THEO</p> <p>9 2 T, the initial order. It was the first of all</p> <p>10 3 of our shipboard audits. A number of</p> <p>11 4 recommendations were made as to the</p> <p>12 5 requirements of our environmental management</p> <p>13 6 plan and our procedures, and the recommendation</p> <p>14 7 we should separate it from the safety</p> <p>15 8 management systems, so that is when we started</p> <p>16 9 working on developing the plan and it finally</p> <p>17 10 came into full effect on the 1st of July 2009.</p> <p>18 11 SPECIAL MASTER BUNDY: Thank you.</p> <p>19 12 MS. TSOCHLAS: So, the first procedure</p> <p>20 13 that we will discuss is the extraordinary</p> <p>21 14 engine room operations monitoring. This is a</p> <p>22 15 procedure that requires that any extraordinary</p> <p>23 16 operation that is occurring in the engine room</p> <p>24 17 that would result in an increase generation of</p> <p>25 18 waste will be recorded and justified for how</p>

<p style="text-align: right;">Page 14</p> <p>1 19 the waste has been handled. 2 20 SPECIAL MASTER BUNDY: Was this added -- 3 21 was this in your previous -- 4 22 THE WITNESS: No, this is a new procedure 5 23 that was implemented and it was -- it comes out 6 24 of the scope of work, and Captain Wigger's 7 25 recommendations. 8 9 DEL VECCHIO REPORTING 10 (203) 245-9583 11 12 12 1 Now, extraordinary engine room operations 13 2 are any kind of operation that will increase 14 3 the waste generation or production within the 15 4 engine room. For example, if we receive poor 16 5 quality bunker fuel that we won't be able to 17 6 use, we have to justify how we'll handle that 18 7 bunker fuel. 19 8 So, if we click on the attachment, I've 20 9 highlighted from the plan the guidelines on how 21 10 this procedure is to be implemented. 22 11 We have a logbook onboard the vessel for 23 12 any kind of extraordinary or engine room 24 13 operation, the chief engineer has to log that 25 14 operation and justify -- explain how much waste</p>	<p style="text-align: right;">Page 16</p> <p>1 11 MR. ANTONELLIS: I'm Michael Antonellis 2 12 and I'm with the Coast Guard. 3 13 Is this logbook separate and distinct to 4 14 the oil record book? 5 15 MS. TSOCHLAS: It's an independent 6 16 logbook. 7 17 MR. ANTONELLIS: Will they also be logging 8 18 in the oil record book the same? 9 19 MS. TSOCHLAS: Yes, these would correlate. 10 20 MR. ANTONELLIS: Thank you. 11 21 MS. TSOCHLAS: Then we'll go to the next 12 22 slide. 13 23 The next procedure is similar to the 14 24 extraordinary operations, it's the unintended 15 25 or accidental release of water fuel oil and 16 17 DEL VECCHIO REPORTING 18 (203) 245-9583 19 14 20 1 lube oil from engine room machinery and 21 2 leakages. So, if we have any kind of major 22 3 leak in the engine room that generates a larger 23 4 quantity of unwanted fluid, that must be logged 24 5 in the logbook. The reason for it's release 25 6 must be explained and how it's handled must</p>
<p style="text-align: right;">Page 15</p> <p>1 15 was produced and justify how that was handled. 2 16 Shall we go to the next slide? 3 17 MR. O'CONNELL: Can I ask a question? 4 18 SPECIAL MASTER BUNDY: Yes. 5 19 MS. TSOCHLAS: Of course. 6 20 SPECIAL MASTER BUNDY: Make sure you 7 21 identify yourself. 8 22 MR. O'CONNELL: Dave O'Connell from the 9 23 Department of Justice. 10 24 Have there been a review of those logs and 11 25 have there been any extraordinary notifications 12 13 DEL VECCHIO REPORTING 14 (203) 245-9583 15 13 16 1 in the log? 17 2 MS. TSOCHLAS: We haven't had any since 18 3 the implementation, we haven't had any 19 4 extraordinary engine room breakage because all 20 5 our vessels are new. These kinds of things 21 6 usually occur with older vessels that are 22 7 having problems in the engine room, and we 23 8 haven't received any poor bunker fuel as of yet 24 9 because we supply our bunker fuel every time we 25 10 receive bunkers.</p>	<p style="text-align: right;">Page 17</p> <p>1 7 also be justified. 2 8 And we can open the link. 3 9 So, that's the procedure that's 4 10 highlighted, and below we have the leakages, 5 11 which I've put a separate link on. 6 12 MR. O'CONNELL: I have another question. 7 13 SPECIAL MASTER BUNDY: Okay. 8 14 MR. O'CONNELL: I would ask the same 9 15 question, have those been reviewed and was 10 16 there any -- 11 17 MS. TSOCHLAS: Yes. This is actually -- 12 18 it's one logbook because it's a very similar 13 19 process, we have a very similar format, so we 14 20 have one logbook for all of these cases. 15 21 MR. O'CONNELL: And there's been no -- 16 22 MS. TSOCHLAS: We've had no excessive 17 23 leaks. Because, as I have said, the vessels 18 24 are new, these problems will come up later on 19 25 in the vessel's life. 20 21 DEL VECCHIO REPORTING 22 (203) 245-9583 23 15 24 1 MR. WIGGER: During the audits that we do, 25 2 we always check all the logbooks, so that is</p>

<p style="text-align: right;">Page 18</p> <p>1 3 one of those logbooks that we would check, and</p> <p>2 4 if there were any extraordinary operations or</p> <p>3 5 significant leakages, we'd follow-up in</p> <p>4 6 question or, you know, see how they're handled,</p> <p>5 7 so.</p> <p>6 8 MS. TSOCHLAS: The next procedure -- now,</p> <p>7 9 we'll move away from extraordinary generation</p> <p>8 10 of waste in the engine room. This is to do</p> <p>9 11 with oil to sea interface management. Any</p> <p>10 12 systems on the vessel that have oil to sea</p> <p>11 13 interface are monitored on a daily basis in</p> <p>12 14 order to ensure that there's no loss of</p> <p>13 15 operating medium into the surrounding waters or</p> <p>14 16 ingress of waters into those tanks.</p> <p>15 17 On our vessels we have -- the only such</p> <p>16 18 system that we have is the stern tube. So, we</p> <p>17 19 have the procedure where the chief engineer is</p> <p>18 20 required to sound these tanks on a daily basis</p> <p>19 21 and enter the results of the sounding into the</p> <p>20 22 engine logbook.</p> <p>21 23 Shall we move on to the next item?</p> <p>22 24 The next item is the tank sounding log.</p> <p>23 25 We are required to carry out -- our vessels are</p> <p>24</p> <p>25 DEL VECCHIO REPORTING</p>	<p style="text-align: right;">Page 20</p> <p>1 24 MS. TSOCHLAS: Yes.</p> <p>2 25 The next procedure is the fuel and lube</p> <p>3</p> <p>4 DEL VECCHIO REPORTING</p> <p>5 (203) 245-9583</p> <p>6 17</p> <p>7 1 oil management and bilge and sludge production</p> <p>8 2 monitoring report. The chief engineer is</p> <p>9 3 required to report on a weekly basis the</p> <p>10 4 quantity, amongst other things, the quantity of</p> <p>11 5 bilge and sludge retained onboard, the number</p> <p>12 6 of hours that the incinerator has been</p> <p>13 7 operated, and the number of hours that the oily</p> <p>14 8 water separator has been operated.</p> <p>15 9 Now, if we open the attachment, we have</p> <p>16 10 the procedure. This is submitted to the</p> <p>17 11 technical department on a weekly basis and</p> <p>18 12 reviewed by the responsible superintendent of</p> <p>19 13 engineers.</p> <p>20 14 If we move onto the next page, this is an</p> <p>21 15 example of the report and you'll see there is a</p> <p>22 16 lot of information, a lot of data in this</p> <p>23 17 report; the consumption of fuel lube oil, the</p> <p>24 18 production of fresh water and bilges and</p> <p>25 19 sludges, it also has information that the</p>
<p style="text-align: right;">Page 19</p> <p>1 (203) 245-9583</p> <p>2 16</p> <p>3 1 required to carry out daily soundings, included</p> <p>4 2 in form B of the IOPP certificate in the engine</p> <p>5 3 room. This is in accordance with the</p> <p>6 4 requirements of the scope of work.</p> <p>7 5 And here we have the procedure.</p> <p>8 6 And on the next page, we have a copy of</p> <p>9 7 the sounding log, an example of the sounding</p> <p>10 8 log.</p> <p>11 9 What I'd like to stress with the</p> <p>12 10 implementation of the environmental management</p> <p>13 11 plan, including all these procedures in that</p> <p>14 12 plan, is that we would like to demonstrate our</p> <p>15 13 commitment to ensuring our procedures are</p> <p>16 14 properly implemented onboard our vessels and to</p> <p>17 15 enhance the culture of the environmental</p> <p>18 16 compliance onboard our vessels. So, this is</p> <p>19 17 the important thing for us that we've included</p> <p>20 18 in our environmental management log.</p> <p>21 19 SPECIAL MASTER BUNDY: Which one of these</p> <p>22 20 procedures, if any, were new?</p> <p>23 21 MS. TSOCHLAS: So far, all of these</p> <p>24 22 procedures I've mentioned are new.</p> <p>25 23 SPECIAL MASTER BUNDY: Since 2008?</p>	<p style="text-align: right;">Page 21</p> <p>1 20 superintendent of engineers can review in order</p> <p>2 21 to monitor that the generation of waste in the</p> <p>3 22 vessel is normal and properly handled.</p> <p>4 23 SPECIAL MASTER BUNDY: Is this sent to the</p> <p>5 24 headquarters electronically?</p> <p>6 25 MS. TSOCHLAS: Electronically, yes, on a</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 18</p> <p>11 1 weekly basis.</p> <p>12 2 So, if we move to the next slide, this is</p> <p>13 3 our waste stream management process; this is</p> <p>14 4 guidance provided to our shipboard personnel on</p> <p>15 5 how the handling of waste onboard the vessel</p> <p>16 6 should be carried out.</p> <p>17 7 This includes all kinds of waste, it's not</p> <p>18 8 limited to waste generated in the engine room.</p> <p>19 9 It's a flowchart diagram, which shows gray</p> <p>20 10 water, black water, bilge water, sludges,</p> <p>21 11 catering waste, and special waste.</p> <p>22 12 We had a similar procedure in place due to</p> <p>23 13 ISO 14,001 requirements, but we enhanced it and</p> <p>24 14 provided more detail based on the</p> <p>25 15 recommendations made by Captain Wigger in the</p>

<p style="text-align: right;">Page 22</p> <p>1 16 initial audit.</p> <p>2 17 Now, the next procedure is regarding</p> <p>3 18 maintenance of the oil record books part one</p> <p>4 19 and two.</p> <p>5 20 We have provided -- these are guidelines</p> <p>6 21 that provide details to our shipboard personnel</p> <p>7 22 on the items that we want to be recorded in the</p> <p>8 23 oil record book part one and two over and above</p> <p>9 24 MARPOL requirements because all our chief</p> <p>10 25 engineers are familiar with MARPOL</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 19</p> <p>15 1 requirements, but we have a number of</p> <p>16 2 additional things that we would like recorded</p> <p>17 3 in the oil record book based on the scope of</p> <p>18 4 work and based on voluntary reporting</p> <p>19 5 requirements, which we provide guidelines on.</p> <p>20 6 And here are the guidelines. You can see</p> <p>21 7 that they are quite extensive.</p> <p>22 8 SPECIAL MASTER BUNDY: And this guidance</p> <p>23 9 that you provide the crew, is this something</p> <p>24 10 that was put into place since 2008?</p> <p>25 11 THE WITNESS: Yes.</p>	<p style="text-align: right;">Page 24</p> <p>1 8 resolution, has that been --</p> <p>2 9 MS. TSOCHLAS: That is why it's the 30th</p> <p>3 10 through September.</p> <p>4 11 MR. WIGGER: And that came out on</p> <p>5 12 August 30th, and that's incorporated as well?</p> <p>6 13 MS. TSOCHLAS: It is.</p> <p>7 14 MR. O'CONNELL: Dave O'Connell.</p> <p>8 15 What IMO solution are you referring to?</p> <p>9 16 MR. WIGGER: Additional guidance -- it's</p> <p>10 17 actually a revision of the previous resolution,</p> <p>11 18 I think it's 798, something around the 700</p> <p>12 19 series, but it had to do with oil record book</p> <p>13 20 entries and guidance on record book entries,</p> <p>14 21 and they've updated that guidance and made</p> <p>15 22 revisions to the IMO circular.</p> <p>16 23 MR. O'CONNELL: Thank you.</p> <p>17 24 MS. TSOCHLAS: Generally, we find it very</p> <p>18 25 important to monitor everything that's changing</p> <p>19</p> <p>20 DEL VECCHIO REPORTING</p> <p>21 (203) 245-9583</p> <p>22 21</p> <p>23 1 in legislation and requirements in the shipping</p> <p>24 2 industry, which is practically on a daily</p> <p>25 3 basis, very closely, and making the amendments</p>
<p style="text-align: right;">Page 23</p> <p>1 12 Anything that's not new, I'll mention what</p> <p>2 13 was in place before.</p> <p>3 14 SPECIAL MASTER BUNDY: Okay.</p> <p>4 15 MS. TSOCHLAS: If I don't mention it, it</p> <p>5 16 means it's new.</p> <p>6 17 MR. CHALOS: This is Michael Chalos.</p> <p>7 18 Miss Tsochlas, have your procedures</p> <p>8 19 incorporated recent changes, IMO changes --</p> <p>9 20 MS. TSOCHLAS: The ones that came into</p> <p>10 21 effect in January of this year?</p> <p>11 22 MR. KARAGIORGIS: Yes.</p> <p>12 23 MS. TSOCHLAS: Yes, they have, but a</p> <p>13 24 number of those items that came into effect</p> <p>14 25 this year were voluntary before and we had them</p> <p>15</p> <p>16 DEL VECCHIO REPORTING</p> <p>17 (203) 245-9583</p> <p>18 20</p> <p>19 1 already in place.</p> <p>20 2 MR. CHALOS: And your manual and</p> <p>21 3 procedures?</p> <p>22 4 THE WITNESS: If you look at the revision,</p> <p>23 5 our procedures are being updated all the time.</p> <p>24 6 MR. WIGGER: Continuing with Mr. Chalos's</p> <p>25 7 question. Recently there was an IMO</p>	<p style="text-align: right;">Page 25</p> <p>1 4 as soon as possible, as soon as the</p> <p>2 5 requirements come out, and we try to implement</p> <p>3 6 the requirements often before they've actually</p> <p>4 7 come into effect. For example, the ship to</p> <p>5 8 ship transfer plan that came into effect at the</p> <p>6 9 beginning of this year, we had implemented it</p> <p>7 10 within the last year. We try as much, to the</p> <p>8 11 best of our ability, to keep ahead of the</p> <p>9 12 regulations.</p> <p>10 13 Shall we move to the next slide?</p> <p>11 14 Now, we provide additional lines that we</p> <p>12 15 wish to be recorded in the engine logbook,</p> <p>13 16 again, over and above the normal requirements</p> <p>14 17 of the industry.</p> <p>15 18 If we open the attachment, you'll see we</p> <p>16 19 have some additional items that we wish to be</p> <p>17 20 recorded in the engine logbook.</p> <p>18 21 And the same goes for the garbage logbook.</p> <p>19 22 The difference -- the requirements that we have</p> <p>20 23 over and above MARPOL Annex V for the garbage</p> <p>21 24 logbook is that we want special waste to be</p> <p>22 25 recorded separately. Special waste being</p> <p>23</p> <p>24 DEL VECCHIO REPORTING</p> <p>25 (203) 245-9583</p>

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1	22	1	21
2	1 things like batteries that we try and recycle,	2	22 we revised over the time of implementation of
3	2 paper, things that go towards our	3	23 the environmental management plan, often the
4	3 environmentally friendly policy.	4	24 shipboard personnel continue to use the
5	4 And then the last item is a vessel	5	25 previous revision the form. We found that in
6	5 environmental report, which has nothing to do	6	
7	6 with the waste generated in the engine room,	7	DEL VECCHIO REPORTING
8	7 it's to do with the overall waste that's	8	(203) 245-9583
9	8 generated by the vessel. We request the vessel	9	24
10	9 report to us on a monthly basis the batteries	10	1 certain cases the EGP procedures were not being
11	10 that are discarded and go for recycling	11	2 properly implemented. Alarm printouts were not
12	11 purposes, paper, fluorescent bulbs and such, so	12	3 being properly dated by the chief engineer.
13	12 that we have a KPI, a key performance	13	4 Often in an engine log, the designation of the
14	13 indicator, in order to monitor our	14	5 officer responsible for operating the oily
15	14 environmental performance.	15	6 water separator and the incinerator had not
16	15 Okay. So, are there any questions on that	16	7 been entered in the engine logbook, either it
17	16 section?	17	8 hadn't been entered or it hadn't been entered
18	17 SPECIAL MASTER BUNDY: When your vessels	18	9 exactly as we had requested in our guidelines.
19	18 have come in, are there any port stay	19	10 Discrepancies in the oil record book part
20	19 efficiencies noted in your recordkeeping?	20	11 one.
21	20 MS. TSOCHLAS: In our recordkeeping? No.	21	12 No documented evidence that the oil to sea
22	21 SPECIAL MASTER BUNDY: The waste stream	22	13 interface systems were being monitored.
23	22 and things that you just covered?	23	14 No evidence available to verify the
24	23 MS. TSOCHLAS: Generally not with the	24	15 recommendations recorded during previous audits
25	24 environmental, no.	25	16 carried out by the IEC had been implemented.
Page 27		Page 29	
1	25 So, now if we move onto the next slide,	1	17 What we meant by that was that the response
2		2	18 that we prepared and sent to Captain Wigger
3	DEL VECCHIO REPORTING	3	19 following an audit in response to his
4	(203) 245-9583	4	20 recommendations had not been provided to the
5	23	5	21 vessel. We followed up, but the actions had
6	1 here we have a summary of the internal audit	6	22 been taken, but we hadn't provided the final
7	2 findings regarding recordkeeping.	7	23 report to the vessels.
8	3 Now, with the implementation of the	8	24 Inadequate recordkeeping regarding the
9	4 environmental management plan in 2009, we began	9	25 storage of flexible hoses.
10	5 the implementation of our environmental	10	
11	6 internal audit process, so we began carrying	11	DEL VECCHIO REPORTING
12	7 out independent environmental audits on board	12	(203) 245-9583
13	8 our vessels, in other words, not integrated	13	25
14	9 with the ISM and the ISPS internal audit. The	14	1 The copies of the scope of work were not
15	10 internal audits are focused entirely on the	15	2 placed in the locations as required by our
16	11 implementation of our environmental management	16	3 environmental management plan.
17	12 plan.	17	4 Feedback had not been provided by the
18	13 The summary of the findings here is for	18	5 company upon review of documentation submitted
19	14 the entire period from the time of	19	6 to them in accordance with the IOPP. For
20	15 implementation up until now onboard all of our	20	7 example, The Master's environmental review
21	16 vessels, so it's the summary of findings from	21	8 submitted to the company, we review it, and
22	17 six vessels for a period of over two years.	22	9 we're supposed to provide feedback based on
23	18 I have a summary of the findings, and then	23	10 that review and a couple of times we hadn't
24	19 at the end of the section, we have the	24	11 done that.
25	20 spreadsheet with the actual findings in detail.	25	12 There was no evidence to demonstrate that

<p style="text-align: right;">Page 30</p> <p>1 13 the oily water separate is being maintained in 2 14 accordance with the maker's instructions. 3 15 There was inadequate recordkeeping regarding 4 16 the environmental system. 5 17 Discrepancies in form B of the IOPP 6 18 certificate. 7 19 No evidence available to demonstrate that 8 20 the pre-joining training and familiarization 9 21 concerning the environmental management plan 10 22 had been carried out. 11 23 All of these discrepancies have to do with 12 24 recordkeeping. They were being carried out, 13 25 but the recordkeeping was not exactly the way 14 15 DEL VECCHIO REPORTING 16 (203) 245-9583 17 26 18 1 we wanted them to be. Inadequate records of 19 2 the Master's environmental review, 20 3 discrepancies in the garbage logbook, 21 4 discrepancies in the oil record book part two, 22 5 inadequate recordkeeping of shipboard drills of 23 6 the Fleet engineering surveys of the tank 24 7 sounding log and the handbook process. 25 8 Now, if we open up the summary, you'll see</p>	<p style="text-align: right;">Page 32</p> <p>1 5 All of the discrepancies found have been 2 6 addressed. 3 7 If we open up the spreadsheet, you'll see 4 8 we have the vessel, the date of the audit, the 5 9 observation. Each observation is analyzed in 6 10 order to identify its root cause. We do that 7 11 so we can ensure that we'll solve the problem 8 12 causing the observation at its root and ensure 9 13 that it won't occur again, we implement 10 14 corrective actions to fix the problem, and we 11 15 implement preventive actions in order to ensure 12 16 that it won't recur in the future. 13 17 I'm not going to go through the 14 18 spreadsheet. 15 19 SPECIAL MASTER BUNDY: Oh, no, please 16 20 don't. 17 21 I have one question. It mentions a couple 18 22 of times in the vessel's environmental officer, 19 23 unless you're going to address that later on in 20 24 the presentation, could you tell us something 21 25 about the program that nominates and appoints 22 23 DEL VECCHIO REPORTING 24 (203) 245-9583 25 28</p>
<p style="text-align: right;">Page 31</p> <p>1 9 that all of these -- 2 10 MR. CHALOS: These internal audits are 3 11 carried out by who? 4 12 MS. TSOCHLAS: By our superintendents. By 5 13 superintendents, by Mr. Karagiorgis, and by 6 14 myself. 7 15 MR. CHALOS: They go onboard the ship and 8 16 check everything out and compare to your manual 9 17 and then report as to any discrepancies they 10 18 find? 11 19 MS. TSOCHLAS: Exactly. 12 20 MR. CHALOS: You've just read a list of 13 21 all the discrepancies -- on selected vessels 14 22 all of -- 15 23 MS. TSOCHLAS: It's discrepancies on all, 16 24 not -- it's not the same discrepancies on each 17 25 vessel, it's a summary of all the discrepancies 18 19 DEL VECCHIO REPORTING 20 (203) 245-9583 21 27 22 1 that were found during the internal audits on 23 2 various vessels. 24 3 SPECIAL MASTER BUNDY: Since 2009? 25 4 MS. TSOCHLAS: Since 2009, yes.</p>	<p style="text-align: right;">Page 33</p> <p>1 1 somebody as the environmental officer and what 2 2 that person's role is and to whom that person 3 3 reports. 4 4 MS. TSOCHLAS: The chief officer is 5 5 designated as the environmental officer, he is 6 6 trained, prior to joining the vessel, in his 7 7 duties as an environmental officer and he 8 8 carries out his duties onboard as an 9 9 environmental officer and reports to the 10 10 environmental management representative, who is 11 11 me, and the CCM, Mr. Karagiorgis, through the 12 12 Master. 13 13 SPECIAL MASTER BUNDY: Through the Master? 14 14 MS. TSOCHLAS: Yes, through the Master. 15 15 He has, if he wishes to report directly, 16 16 contact details are always available on the 17 17 vessel and he is in a position to contact 18 18 either the CCM or me directly. 19 19 SPECIAL MASTER BUNDY: Okay. Thank you. 20 20 Mr. O'Connell? 21 21 MR. O'CONNELL: I do have some questions 22 22 about this spreadsheet and then later on 23 23 there's a spreadsheet regarding the IEC audits 24 24 too. Do we just want to wait and do that all 25 25 at the same time and get through the rest of</p>

<p style="text-align: right;">Page 34</p> <p>1</p> <p>2 DEL VECCHIO REPORTING</p> <p>3 (203) 245-9583</p> <p>4 29</p> <p>5 1 this stuff?</p> <p>6 2 SPECIAL MASTER BUNDY: Why don't we wait.</p> <p>7 3 MS. TSOCHLAS: So, shall we move to the</p> <p>8 4 next slide?</p> <p>9 5 SPECIAL MASTER BUNDY: Yes.</p> <p>10 6 MS. TSOCHLAS: Now, this is a summary of</p> <p>11 7 the audit findings made by the IEC during his</p> <p>12 8 shipboard audit. These are the findings that</p> <p>13 9 were found onboard the vessels during all of</p> <p>14 10 the audits carried out through the period. So,</p> <p>15 11 the initial audits, the ongoing audits, and the</p> <p>16 12 final audits onboard all four vessels.</p> <p>17 13 So, the IEC had found inadequate</p> <p>18 14 recordkeeping regarding the implementation of</p> <p>19 15 the environmental seals system. Discrepancies</p> <p>20 16 between manual tank soundings and SWOMS</p> <p>21 17 records. Inadequate recordkeeping regarding</p> <p>22 18 declaration of environmental commitment and</p> <p>23 19 compliance. Inadequate recordkeeping regarding</p> <p>24 20 the environmental procedure for non-crew</p> <p>25 21 members. And based on that recommendation, we</p>	<p style="text-align: right;">Page 36</p> <p>1 18 the sewage treatment plan. The format of the</p> <p>2 19 Master's handover report required amendment.</p> <p>3 20 Inadequate recordkeeping regarding the storage</p> <p>4 21 of flexible hoses. Lack of designation of the</p> <p>5 22 officer responsible for operating the oily</p> <p>6 23 water separator and the incinerator in the</p> <p>7 24 engine logbook. And the format of the ballast</p> <p>8 25 tank inspection report required there was a</p> <p>9</p> <p>10 DEL VECCHIO REPORTING</p> <p>11 (203) 245-9583</p> <p>12 31</p> <p>13 1 recommendation to amend that.</p> <p>14 2 So, here we have the summary on the next</p> <p>15 3 slide. We have all the recommendations made by</p> <p>16 4 the IEC throughout the period in detail and</p> <p>17 5 we've included as well our response to the IEC</p> <p>18 6 addressing those recommendations. What's</p> <p>19 7 important with all of this process is that all</p> <p>20 8 of the recommendations and all the findings</p> <p>21 9 that we've made through internal audits have</p> <p>22 10 been addressed and should have been resolved,</p> <p>23 11 and we're monitoring very closely the proper</p> <p>24 12 recommendations of our environmental</p> <p>25 13 requirements onboard our vessel.</p>
<p style="text-align: right;">Page 35</p> <p>1 22 actually changed a whole procedure. Inadequate</p> <p>2 23 recordkeeping of the ballast water exchange</p> <p>3 24 procedures, discrepancies in the oil record</p> <p>4 25 book part two. We've revised quite a few times</p> <p>5</p> <p>6 DEL VECCHIO REPORTING</p> <p>7 (203) 245-9583</p> <p>8 30</p> <p>9 1 the tank sounding log based on recommendations</p> <p>10 2 by the IEC. The notice of intent was not</p> <p>11 3 available onboard in order with the EGP</p> <p>12 4 requirements. Discrepancies in the Fleet</p> <p>13 5 engineering survey. The improper</p> <p>14 6 implementation of the anonymous reporting</p> <p>15 7 procedure, which was entirely revised based on</p> <p>16 8 that recommendation. Discrepancies in the</p> <p>17 9 chief engineer's weekly report. Lack of</p> <p>18 10 evidence in pre-joining familiarization and</p> <p>19 11 training regarding the EMP. The list of</p> <p>20 12 minimum spares regarding pollution prevention</p> <p>21 13 equipment. There was a recommendation to amend</p> <p>22 14 that list. Inadequate recordkeeping regarding</p> <p>23 15 the Master's environmental review. And the</p> <p>24 16 cleaning of the bilge holding tank. The PMS</p> <p>25 17 did not include requirements for maintenance of</p>	<p style="text-align: right;">Page 37</p> <p>1 14 SPECIAL MASTER BUNDY: Mr. O'Connell is</p> <p>2 15 this a time for you to discuss -- because we've</p> <p>3 16 got the spreadsheet here. This is just</p> <p>4 17 recordkeeping issues, that these two</p> <p>5 18 spreadsheets were directed to. So, if you've</p> <p>6 19 got anything that you want to inquire, this is</p> <p>7 20 probably a good time to do it.</p> <p>8 21 MR. O'CONNELL: I just want to make sure</p> <p>9 22 I'm on the right spreadsheet.</p> <p>10 23 SPECIAL MASTER BUNDY: Okay.</p> <p>11 24 MR. O'CONNELL: Could we go back to the</p> <p>12 25 previous spreadsheet?</p> <p>13</p> <p>14 DEL VECCHIO REPORTING</p> <p>15 (203) 245-9583</p> <p>16 32</p> <p>17 1 MS. TSOCHLAS: Attachment 12?</p> <p>18 2 MR. O'CONNELL: Yes. Thank you.</p> <p>19 3 I'll go in order. Number eight.</p> <p>20 4 MS. TSOCHLAS: Yup.</p> <p>21 5 MR. O'CONNELL: The action was the --</p> <p>22 6 MS. TSOCHLAS: That was, as I mentioned</p> <p>23 7 earlier, we had followed up the actual items --</p> <p>24 8 MR. CHALOS: Miss Tsochlas, you have to</p> <p>25 9 wait for the question. You don't know what the</p>

<p style="text-align: right;">Page 38</p> <p>1 10 question is.</p> <p>2 11 MR. O'CONNELL: The question is noted at</p> <p>3 12 least on the THEO T that there was no follow-up</p> <p>4 13 to what the IEC was doing and that was going to</p> <p>5 14 be distributed throughout the Fleet. Has Ionia</p> <p>6 15 found a repeat of that in any other vessels?</p> <p>7 16 MS. TSOCHLAS: When we say distributed</p> <p>8 17 throughout the fleet, it was the prepared</p> <p>9 18 response, as I mentioned earlier, that the</p> <p>10 19 report of the response that we had sent to</p> <p>11 20 Captain Wigger that was missing, so we went out</p> <p>12 21 to all the vessels to make sure that they had,</p> <p>13 22 not just for the IEC audits, for any kind of</p> <p>14 23 inspection audit we had on the vessel, to</p> <p>15 24 ensure that we've got all the official</p> <p>16 25 responses that we send out to third parties. A</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 33</p> <p>21 1 couple of vessels we did find that maybe the</p> <p>22 2 response was missing to a vetting inspection.</p> <p>23 3 This process of sending out the official</p> <p>24 4 response is separate to the actual follow-up of</p> <p>25 5 closing out of the observations onboard.</p>	<p style="text-align: right;">Page 40</p> <p>1 2 vessels have confirmed that it's been properly</p> <p>2 3 implemented onboard, and that was further</p> <p>3 4 confirmed by Captain Wigger when he boarded the</p> <p>4 5 PLOUTOS because he didn't find any issues</p> <p>5 6 there, and that is one of the things that he</p> <p>6 7 checks.</p> <p>7 8 MR. CHALOS: Captain Wigger?</p> <p>8 9 MR. WIGGER: That's correct.</p> <p>9 10 MR. O'CONNELL: Number 13 deals with the</p> <p>10 11 seal logbook and the action was -- will be</p> <p>11 12 distributed through the fleet and relevant</p> <p>12 13 confirmation will be requested in order to</p> <p>13 14 identify the relevant missions.</p> <p>14 15 What's the status of that? Was there any</p> <p>15 16 other problems with any other vessels?</p> <p>16 17 MS. TSOCHLAS: Oh, yes, that's been closed</p> <p>17 18 out on all of the vessels.</p> <p>18 19 MR. O'CONNELL: Do we know if there was</p> <p>19 20 any other problems with the seal logs?</p> <p>20 21 MS. TSOCHLAS: With the seal logs? No,</p> <p>21 22 there were no other problems. That was over a</p> <p>22 23 year ago that observation.</p> <p>23 24 MR. WIGGER: The PLOUTOS was the last of</p> <p>24 25 the final audits and that was the one that I</p> <p>25</p>
<p style="text-align: right;">Page 39</p> <p>1 6 MR. CHALOS: Are you saying when Captain</p> <p>2 7 Wigger makes an observation on one ship and you</p> <p>3 8 address it, you send it to all the ships?</p> <p>4 9 MS. TSOCHLAS: Yes. Generally, that is</p> <p>5 10 one of the process we have that with all our</p> <p>6 11 recommendations, and not just Captain Wigger's</p> <p>7 12 recommendations, observations from port state</p> <p>8 13 control, from U.S. Coast Guard, from vetting</p> <p>9 14 inspections, we make sure that whatever we</p> <p>10 15 found -- as we found on one vessel, we ask our</p> <p>11 16 other vessels to confirm that it doesn't exist</p> <p>12 17 onboard their vessel. It's part of our</p> <p>13 18 preventive actions to avoid things recurring,</p> <p>14 19 if we can. Always to the best of our ability,</p> <p>15 20 of course.</p> <p>16 21 MR. O'CONNELL: The next item, number</p> <p>17 22 nine, regarding the flexible hose inventory,</p> <p>18 23 the action was a fleet line survey would be</p> <p>19 24 carried out to confirm that the hoses are</p> <p>20 25 properly tagged and listed, was that done?</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 34</p> <p>25 1 MS. TSOCHLAS: That was done and all</p>	<p style="text-align: right;">Page 41</p> <p>1 DEL VECCHIO REPORTING</p> <p>2 (203) 245-9583</p> <p>3 35</p> <p>4 1 did myself, but the seal log on that was</p> <p>5 2 checked in the final audit and found to be</p> <p>6 3 fully up-to-date and proper. That's where that</p> <p>7 4 came from.</p> <p>8 5 SPECIAL MASTER BUNDY: I think the</p> <p>9 6 question is, though, how did -- were there any</p> <p>10 7 problems found in other vessels when you</p> <p>11 8 distributed this issue among the fleet?</p> <p>12 9 MS. TSOCHLAS: And that non-conformity was</p> <p>13 10 to do with -- we had -- originally, our seal</p> <p>14 11 logbook -- was a form that was maintained, it</p> <p>15 12 was loose pages in a file, and one of the</p> <p>16 13 recommendations during one of the audits, I</p> <p>17 14 can't remember which one, was to provide a</p> <p>18 15 bound sealed logbook to the vessel. So, that</p> <p>19 16 was the distribution of that bound seal logbook</p> <p>20 17 to the vessels. On some of the vessels that</p> <p>21 18 weren't so accessible immediately had a delay</p> <p>22 19 in receiving that bound seal book.</p> <p>23 20 MR. CHALOS: Now they all have that book</p> <p>24 21 onboard?</p> <p>25 22 MS. TSOCHLAS: They all have that book for</p>

<p style="text-align: right;">Page 42</p> <p>1 23 over a year now.</p> <p>2 24 MR. O'CONNELL: Number 17 has to deal with</p> <p>3 25 PLOUTOS.</p> <p>4</p> <p>5 DEL VECCHIO REPORTING</p> <p>6 (203) 245-9583</p> <p>7 36</p> <p>8 1 MS. TSOCHLAS: Yes.</p> <p>9 2 MR. O'CONNELL: The cleaning of the bilge</p> <p>10 3 holding tank. And I believe this had to do --</p> <p>11 4 this was actually being implemented or being</p> <p>12 5 done and signed off in the PMS for the vessel</p> <p>13 6 but not in the oil record book?</p> <p>14 7 MS. TSOCHLAS: Yes.</p> <p>15 8 MR. O'CONNELL: And was there a follow-up</p> <p>16 9 in the fleet to make sure that these actions</p> <p>17 10 were being entered in the oil record book?</p> <p>18 11 MS. TSOCHLAS: Yes, there was a follow-up,</p> <p>19 12 and it was confirmed by all vessels that they</p> <p>20 13 were recording properly.</p> <p>21 14 MR. O'CONNELL: Number 18, this is an</p> <p>22 15 action item from March 5th, 2010 from the</p> <p>23 16 vessel, GEA. It says, "During review of the</p> <p>24 17 garbage book, it was verified that time of</p> <p>25 18 start and stop of incinerator was not recorded,</p>	<p style="text-align: right;">Page 44</p> <p>1 15 response from the recipients that, yes, they've</p> <p>2 16 done it and this is what we've done and that</p> <p>3 17 sort of thing?</p> <p>4 18 MS. TSOCHLAS: Yes, we do. It's a very</p> <p>5 19 important part of the process ensuring that our</p> <p>6 20 non-conformities and recommendations and</p> <p>7 21 observations are properly closed out. We place</p> <p>8 22 due dates on all of the observations, on all of</p> <p>9 23 the actions so that they can be properly</p> <p>10 24 followed up, and whatever is requested we</p> <p>11 25 ensure that we get from the vessels the</p> <p>12</p> <p>13 DEL VECCHIO REPORTING</p> <p>14 (203) 245-9583</p> <p>15 38</p> <p>16 1 feedback that we want. And then when</p> <p>17 2 superintendent engineers go onboard, anything</p> <p>18 3 that has been advised by the vessel has been</p> <p>19 4 closed out, is verified by the superintendent</p> <p>20 5 when he goes onboard.</p> <p>21 6 MR. SANBORN: Thank you.</p> <p>22 7 MR. CHALOS: I wonder if I could ask a</p> <p>23 8 question.</p> <p>24 9 Is there somebody in your office that's</p> <p>25 10 assigned the task of following up to make sure</p>
<p style="text-align: right;">Page 43</p> <p>1 19 and one of the items was to get random copies</p> <p>2 20 of the garbage book will be requested from</p> <p>3 21 vessels in order to verify that the specific</p> <p>4 22 entries are carried out as per MARPOL</p> <p>5 23 requirements."</p> <p>6 24 The question is, did that happen and has</p> <p>7 25 there been any discrepancies with the random</p> <p>8</p> <p>9 DEL VECCHIO REPORTING</p> <p>10 (203) 245-9583</p> <p>11 37</p> <p>12 1 books that were requested?</p> <p>13 2 MS. TSOCHLAS: That did happen and there</p> <p>14 3 weren't any discrepancies identified when</p> <p>15 4 requested -- when the copies were requested</p> <p>16 5 from the vessels. We requested them from all</p> <p>17 6 of the vessels, all six vessels.</p> <p>18 7 MR. O'CONNELL: I'm sorry I have my back</p> <p>19 8 to you.</p> <p>20 9 MS. TSOCHLAS: Don't worry. I can hear</p> <p>21 10 you.</p> <p>22 11 MR. SANBORN: May I ask a question?</p> <p>23 12 Miss Tsochlas, in virtually all of these</p> <p>24 13 that we've heard so far, an action plan, of</p> <p>25 14 sorts, has gone out. Do you get positive</p>	<p style="text-align: right;">Page 45</p> <p>1 11 things are being done?</p> <p>2 12 MS. TSOCHLAS: Yes. The safety and</p> <p>3 13 quality department maintains the database of</p> <p>4 14 all the observations that are issued to the</p> <p>5 15 vessels, whether it's from third parties or</p> <p>6 16 internally, and at the end of each month, she</p> <p>7 17 reviews a list of actions, according to the due</p> <p>8 18 date, and then requests confirmation, either</p> <p>9 19 through the responsible department, some items</p> <p>10 20 are monitored by the technical department, for</p> <p>11 21 example, or directly from the vessel. When she</p> <p>12 22 receives that confirmation from the vessels or</p> <p>13 23 the other departments, we review all of the</p> <p>14 24 confirmation together in order to ensure that</p> <p>15 25 it's appropriate -- the actions that have been</p> <p>16</p> <p>17 DEL VECCHIO REPORTING</p> <p>18 (203) 245-9583</p> <p>19 39</p> <p>20 1 taken are appropriate, and then they're closed</p> <p>21 2 out.</p> <p>22 3 So, this is kind of an extract from our</p> <p>23 4 database, and within our database they all have</p> <p>24 5 due dates, extension dates, if necessary,</p> <p>25 6 because sometimes the vessel hasn't managed to</p>

<p style="text-align: right;">Page 46</p> <p>1 7 close it out effectively within the timeframe, 2 8 and then we provide an extension so that we can 3 9 continue to monitor it effectively, and the 4 10 status with a reference to the evidence that's 5 11 been provided, because we request evidence for 6 12 the closing out of all items. 7 13 MR. SANBORN: Thank you. That's where I 8 14 was headed. 9 15 SPECIAL MASTER BUNDY: Has this procedure 10 16 that you've described, I assume since you 11 17 didn't say that it was in place before, that 12 18 also was implemented since 2000? 13 19 THE WITNESS: The process has been in 14 20 place; it's become very meticulous, though, 15 21 we've enhanced it, and the database, for 16 22 example, wasn't in place before, before I came 17 23 to the company. 18 24 SPECIAL MASTER BUNDY: So, just to back up 19 25 for a minute. When did you come to the 20 21 DEL VECCHIO REPORTING 22 (203) 245-9583 23 40 24 1 company? 25 2 MS. TSOCHLAS: In May of 2008.</p>	<p style="text-align: right;">Page 48</p> <p>1 (203) 245-9583 2 41 3 1 because when he signed on, he was serving under 4 2 a different engineer, chief engineer, so we 5 3 can't establish why that chief engineer did not 6 4 request from him to complete the fleet 7 5 engineering survey. In the meantime, he had 8 6 also signed off, the third engineer had signed 9 7 off the vessel, so we couldn't request it 10 8 because it wasn't onboard the vessel. So, 11 9 that's why the corrective action is being 12 10 carried out. The preventive action is to 13 11 establish a more detailed monitoring system in 14 12 order to prevent omissions of this kind. So, 15 13 the technical department is responsible for 16 14 ensuring that the fleet engineering did the 17 15 survey, is completed by all officers, per 18 16 requirements, within three months of signing 19 17 on, and the crew department is required to 20 18 advise the technical department whenever there 21 19 is a change in the officers so that they can 22 20 follow up properly. 23 21 So, that process wasn't quite adequate to 24 22 make sure that the technical department could 25 23 follow up and we've improved that process now.</p>
<p style="text-align: right;">Page 47</p> <p>1 3 MR. O'CONNELL: Number -- 2 4 MR. CHALOS: Welcome onboard. 3 5 MR. O'CONNELL: I see they keep you fully 4 6 employed. 5 7 MS. TSOCHLAS: They do, they keep me very 6 8 busy. 7 9 MR. O'CONNELL: Number 32 for the KRITON. 8 10 MS. TSOCHLAS: Hold on. It's a little bit 9 11 further down. 10 12 MR. O'CONNELL: This is from recently, 11 13 July 10th, 2011. There's no evidence onboard 12 14 that the fleet engineering survey form ENV 015 13 15 has been completed by the offside third 14 16 engineer, although he signed -- I guess he 15 17 signed the survey on July 2010, and it says, 16 18 the cause is unknown, possibly a minute. 17 19 MS. TSOCHLAS: The third engineer signed 18 20 on the vessel in July of 2010. By the time of 19 21 the audit, which was a year later, we required 20 22 that the fleet engineering survey is completed 21 23 within three months of signing on, and he 22 24 hadn't completed that. The reason that the 23 25 root cause is what couldn't be identified is 24 25 DEL VECCHIO REPORTING</p>	<p style="text-align: right;">Page 49</p> <p>1 24 MR. CHALOS: Does every engineering 2 25 officer on your vessels complete these surveys? 3 4 DEL VECCHIO REPORTING 5 (203) 245-9583 6 42 7 1 MS. TSOCHLAS: Yes. 8 2 MR. CHALOS: So, this is one officer on 9 3 this one ship that didn't do it? 10 4 MS. TSOCHLAS: Exactly. 11 5 MR. O'CONNELL: The number -- I think the 12 6 last one I have is number 37, which is the 13 7 KRITON again, from July of 2011, that has to do 14 8 with the environmental tag seal system. 15 9 MS. TSOCHLAS: Yes. 16 10 MR. O'CONNELL: Correct me if I'm wrong, 17 11 but I believe from the last time there was 18 12 another issue with seals. 19 13 Mr. Wigger, do you know, regarding the 20 14 seal log system, on -- was it the PLOUTOS? 21 15 MR. WIGGER: It wasn't the PLOUTOS, but it 22 16 was in one of our audits. I know the seal log 23 17 records were not correct. 24 18 MS. TSOCHLAS: I think it was the ESTIA. 25 19 MR. WIGGER: The ESTIA, yes. But the</p>

<p style="text-align: right;">Page 50</p> <p>1 20 auditor found some -- quite a few discrepancies</p> <p>2 21 and required a complete review of the seals and</p> <p>3 22 correction. So that, I believe, was on the</p> <p>4 23 ESTIA.</p> <p>5 24 MR. O'CONNELL: So, the action says this</p> <p>6 25 was distributed -- a fleet of -- has Ionia gone</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 43</p> <p>11 1 back out to the fleet and made a determination</p> <p>12 2 if there's any other discrepancies?</p> <p>13 3 MS. TSOCHLAS: We have requested</p> <p>14 4 confirmation from the vessels and all vessels</p> <p>15 5 have confirmed that they have checked the</p> <p>16 6 environmental seal system in detail in order to</p> <p>17 7 ensure that it is in order, and now we're in</p> <p>18 8 the process of making sure that when</p> <p>19 9 superintendent engineers go onboard, they're</p> <p>20 10 following up on that.</p> <p>21 11 MR. CHALOS: Mr. O'Connell, if I could</p> <p>22 12 make a comment.</p> <p>23 13 The KRITON is operating in West Africa</p> <p>24 14 right now and sometimes it's very difficult to</p> <p>25 15 get people onboard because of the physical</p>	<p style="text-align: right;">Page 52</p> <p>1 12 is to do with recordkeeping. That's why some</p> <p>2 13 of them overlap because it could be</p> <p>3 14 recordkeeping of the mitigation measures.</p> <p>4 15 MR. O'CONNELL: Okay. Well, we could do</p> <p>5 16 this all at once or we can --</p> <p>6 17 SPECIAL MASTER BUNDY: Let's wait until</p> <p>7 18 the end, because they do overlap, because some</p> <p>8 19 of the minimum engineering standards involve</p> <p>9 20 recordkeeping --</p> <p>10 21 MR. O'CONNELL: I just want to do it all</p> <p>11 22 at once, so it will be more efficient.</p> <p>12 23 SPECIAL MASTER BUNDY: So, you can do</p> <p>13 24 that.</p> <p>14 25 Go onto the next slide.</p> <p>15</p> <p>16 DEL VECCHIO REPORTING</p> <p>17 (203) 245-9583</p> <p>18 45</p> <p>19 1 MS. TSOCHLAS: So, the next slide of the</p> <p>20 2 agenda.</p> <p>21 3 So, this item has to do with the</p> <p>22 4 maintenance of shipboard records in accordance</p> <p>23 5 with paragraph 4A of the Special Master's scope</p> <p>24 6 of work. Here again, we'll also look into the</p> <p>25 7 findings made during the internal audits</p>
<p style="text-align: right;">Page 51</p> <p>1 16 location, but they're following that vessel</p> <p>2 17 very closely as well.</p> <p>3 18 MR. O'CONNELL: I didn't have anymore</p> <p>4 19 questions on that spreadsheet.</p> <p>5 20 Now, the second spreadsheet is --</p> <p>6 21 MS. TSOCHLAS: Are the findings made by</p> <p>7 22 Captain Wigger?</p> <p>8 23 MR. O'CONNELL: Okay. And, I'm sorry,</p> <p>9 24 there's another spreadsheet at the end, I'm</p> <p>10 25 just asking this because I want to figure out</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 44</p> <p>15 1 if we should do this now or at the end.</p> <p>16 2 The last spreadsheet in the presentation,</p> <p>17 3 is that -- it seemed like there was a lot of</p> <p>18 4 the same --</p> <p>19 5 THE WITNESS: Some things were overlapping</p> <p>20 6 because they are common topics.</p> <p>21 7 MR. O'CONNELL: And the last spreadsheet</p> <p>22 8 refers to what?</p> <p>23 9 MS. TSOCHLAS: To the requirements, the</p> <p>24 10 minimum risk mitigating -- mitigation measures</p> <p>25 11 of the scope of work. Whereas, this first one</p>	<p style="text-align: right;">Page 53</p> <p>1 8 carried out by Ionia and the findings made by</p> <p>2 9 the IEC during his shipboard audits carried out</p> <p>3 10 onboard our vessels.</p> <p>4 11 So, the first thing I've done here in this</p> <p>5 12 presentation is to summarize the paragraphs of</p> <p>6 13 4A of the scope of work.</p> <p>7 14 The scope of work requires that the</p> <p>8 15 following records are to be maintained onboard</p> <p>9 16 our vessels.</p> <p>10 17 The daily tank soundings of all waste oil</p> <p>11 18 and oily water waste tanks. Oil record book</p> <p>12 19 part one entries, and engine room alarm</p> <p>13 20 printouts.</p> <p>14 21 If we move to the next slide, we have a</p> <p>15 22 summary of the nonconformities issued during</p> <p>16 23 the internal audits carried out onboard our</p> <p>17 24 vessels. Yet, again, this is for the entire</p> <p>18 25 period on all of our vessels that the internal</p> <p>19</p> <p>20 DEL VECCHIO REPORTING</p> <p>21 (203) 245-9583</p> <p>22 46</p> <p>23 1 audits have been carried out.</p> <p>24 2 SPECIAL MASTER BUNDY: This includes</p> <p>25 3 vessels that are not included under --</p>

<p style="text-align: right;">Page 54</p> <p>1 4 MS. TSOCHLAS: All six vessels. Because</p> <p>2 5 we may not have them included in the terms of</p> <p>3 6 the coverage, but we're implementing a uniform</p> <p>4 7 system onboard our vessels so that we can have</p> <p>5 8 a uniform culture of compliance.</p> <p>6 9 SPECIAL MASTER BUNDY: Those vessels would</p> <p>7 10 be the GEA and the KRITON?</p> <p>8 11 THE WITNESS: And the KRITON, yes.</p> <p>9 12 I've divided the summary into the three</p> <p>10 13 records that are required by the scope of work</p> <p>11 14 to be maintained.</p> <p>12 15 The first one is the daily tank sounding</p> <p>13 16 log. So, the daily tank soundings were not</p> <p>14 17 recorded in the company's controlled form; that</p> <p>15 18 was one of the nonconformities at the time that</p> <p>16 19 was identified.</p> <p>17 20 When it comes to engine room alarm</p> <p>18 21 printouts, the alarm printouts were not</p> <p>19 22 initialed and dated by the chief engineer upon</p> <p>20 23 his weekly review of those, as required by the</p> <p>21 24 scope of work.</p> <p>22 25 And then the oil record book part one.</p> <p>23</p> <p>24 DEL VECCHIO REPORTING</p> <p>25 (203) 245-9583</p>	<p style="text-align: right;">Page 56</p> <p>1 25 preventive actions.</p> <p>2</p> <p>3 DEL VECCHIO REPORTING</p> <p>4 (203) 245-9583</p> <p>5 48</p> <p>6 1 So, do you want to have a look at it right</p> <p>7 2 now or --</p> <p>8 3 SPECIAL MASTER BUNDY: Unless there's any</p> <p>9 4 questions about this, we'll just defer that</p> <p>10 5 till we talk about all the spreadsheets, if</p> <p>11 6 that's agreeable with Mr. O'Connell?</p> <p>12 7 MR. O'CONNELL: That's fine. I think that</p> <p>13 8 would be best.</p> <p>14 9 MS. TSOCHLAS: If we go to the next slide,</p> <p>15 10 we have a summary of the findings issued by the</p> <p>16 11 IEC during the environmental audits.</p> <p>17 12 I'd like to -- here it says</p> <p>18 13 nonconformities, but Captain Wigger has made</p> <p>19 14 very clear in all of his reports that the</p> <p>20 15 recommendations that were identified did not</p> <p>21 16 constitute nonconformities, they were</p> <p>22 17 recommendations for improvement of our system.</p> <p>23 18 SPECIAL MASTER BUNDY: As you go through</p> <p>24 19 these, I don't think you will need to read each</p> <p>25 20 one of them. If you just do -- this is a</p>
<p style="text-align: right;">Page 55</p> <p>1 47</p> <p>2 1 Various discrepancies, such as information</p> <p>3 2 related to tanks not included in form B of the</p> <p>4 3 IOPP was entered into the oil record book part</p> <p>5 4 one. Obviously, not in accordance with our</p> <p>6 5 guidelines.</p> <p>7 6 Entries in the oil record book regarding</p> <p>8 7 the cleaning of the bilge holding tank had not</p> <p>9 8 been recorded.</p> <p>10 9 Discrepancies were identified related to</p> <p>11 10 data concerning transfers of waste in the</p> <p>12 11 engine room were not recorded in the oil --</p> <p>13 12 there were discrepancies in the oil record</p> <p>14 13 book.</p> <p>15 14 Entries regarding the operation of the</p> <p>16 15 oily water separator and the incinerator were</p> <p>17 16 not recorded in the oil record book.</p> <p>18 17 The delivery of slops to slop barge was</p> <p>19 18 not recorded in the oil record book.</p> <p>20 19 When we come to oil record book part two,</p> <p>21 20 the monthly testing of the ODME was not</p> <p>22 21 recorded in the oil record book.</p> <p>23 22 So, the next slide, we have the</p> <p>24 23 spreadsheet of those findings, along with our</p> <p>25 24 root cause analysis, and our corrective and</p>	<p style="text-align: right;">Page 57</p> <p>1 21 summary and we've all, I think, gone through</p> <p>2 22 this before the hearings, so we're familiar</p> <p>3 23 with that.</p> <p>4 24 MS. TSOCHLAS: So, I've done this in the</p> <p>5 25 same way, I've divided the summary into the</p> <p>6</p> <p>7 DEL VECCHIO REPORTING</p> <p>8 (203) 245-9583</p> <p>9 49</p> <p>10 1 daily tank sounding log, which you can see</p> <p>11 2 here. The oil record book part one. The</p> <p>12 3 issues that were identified in the recording in</p> <p>13 4 the oil record book part one, and the oil</p> <p>14 5 record book part two.</p> <p>15 6 When it comes to engine room alarm</p> <p>16 7 printouts, no discrepancies or deficiencies</p> <p>17 8 were identified by Captain Wigger in the engine</p> <p>18 9 room -- the maintenance of engine room alarm</p> <p>19 10 printouts.</p> <p>20 11 And then if we go to the next slide, we</p> <p>21 12 have the spreadsheet as before with the IEC</p> <p>22 13 findings and Ionia's response.</p> <p>23 14 So, do we have any questions on that?</p> <p>24 15 SPECIAL MASTER BUNDY: We'll do the same</p> <p>25 16 thing.</p>

<p style="text-align: right;">Page 58</p> <p>1 17 MS. TSOCHLAS: Okay. So, are we moving</p> <p>2 18 on?</p> <p>3 19 SPECIAL MASTER BUNDY: Yes.</p> <p>4 20 MS. TSOCHLAS: Now, if we go to the next</p> <p>5 21 item of the agenda, this is the installation</p> <p>6 22 and maintenance of the SWOMS in accordance with</p> <p>7 23 paragraph 4B of the scope of work.</p> <p>8 24 If we move to the next slide, I've first</p> <p>9 25 made a summary of the requirements of the scope</p> <p>10</p> <p>11 DEL VECCHIO REPORTING</p> <p>12 (203) 245-9583</p> <p>13 50</p> <p>14 1 of work with regards to the installation of the</p> <p>15 2 SWOMS onboard the vessel.</p> <p>16 3 Now, the SWOMS installed onboard our</p> <p>17 4 vessels must have the capabilities to record</p> <p>18 5 all waste oil generation and processing in the</p> <p>19 6 engine room in a tamperproof and automated</p> <p>20 7 manner. The data must be recorded and sent</p> <p>21 8 electronically to our officers without the need</p> <p>22 9 for human intervention. Data must be recorded</p> <p>23 10 on an hourly basis and in a manner that allows</p> <p>24 11 it to be compared to shipboard records that are</p> <p>25 12 maintained by us.</p>	<p style="text-align: right;">Page 60</p> <p>1 9 of the oily water separator, the status of the</p> <p>2 10 overall discharge valve. The average PPM</p> <p>3 11 overboard in the event a discharge has taken</p> <p>4 12 place and the operation of the incinerator.</p> <p>5 13 So, if we click on that attachment, you'll see</p> <p>6 14 the report as it's received in our offices.</p> <p>7 15 SPECIAL MASTER BUNDY: This is a report</p> <p>8 16 that comes every hour?</p> <p>9 17 MS. TSOCHLAS: Yes, every hour. It's the</p> <p>10 18 hourly role.</p> <p>11 19 SPECIAL MASTER BUNDY: And so, you have</p> <p>12 20 one of those for every vessel with the SWOMS</p> <p>13 21 for every hour of every day?</p> <p>14 22 MS. TSOCHLAS: Exactly.</p> <p>15 23 SPECIAL MASTER BUNDY: And that's</p> <p>16 24 contained in -- I assume you don't print these</p> <p>17 25 out and put them in a big book.</p> <p>18</p> <p>19 DEL VECCHIO REPORTING</p> <p>20 (203) 245-9583</p> <p>21 52</p> <p>22 1 MS. TSOCHLAS: That wouldn't be</p> <p>23 2 environmentally friendly.</p> <p>24 3 SPECIAL MASTER BUNDY: You keep them in a</p> <p>25 4 server if a discrepancy appears that you need</p>
<p style="text-align: right;">Page 59</p> <p>1 13 If we move onto the next slide, I'll begin</p> <p>2 14 with specifications of the units that have been</p> <p>3 15 installed onboard our vessels.</p> <p>4 16 The SWOMS, as we all know, were designed</p> <p>5 17 by Vigilant Marine; it's a custom design in</p> <p>6 18 accordance with our requirements and the scope</p> <p>7 19 of work and it monitors and records operations</p> <p>8 20 of the vessel's oily water separator</p> <p>9 21 incinerator, the level of the oily bilge</p> <p>10 22 holding tank, sludge tanks, waste oil tank and</p> <p>11 23 bilge wells. The SWOMS monitor all operations</p> <p>12 24 and tanks continuously throughout the 24 hours.</p> <p>13 25 A report is generated on an hourly basis and is</p> <p>14</p> <p>15 DEL VECCHIO REPORTING</p> <p>16 (203) 245-9583</p> <p>17 51</p> <p>18 1 sent to our officers without the need for human</p> <p>19 2 intervention automatically; that report</p> <p>20 3 includes the date, the time that it's being</p> <p>21 4 transmitted, the vessel's position at the time</p> <p>22 5 of transmission, the current levels in the</p> <p>23 6 tanks -- levels and volumes in the tank in the</p> <p>24 7 engine room at the time of the transmission,</p> <p>25 8 the operation of the bilge pump, the operation</p>	<p style="text-align: right;">Page 61</p> <p>1 5 to look at these in detail?</p> <p>2 6 MS. TSOCHLAS: Exactly.</p> <p>3 7 SPECIAL MASTER BUNDY: I'll go into more</p> <p>4 8 detail about how we carry out the analysis in</p> <p>5 9 the next slide.</p> <p>6 10 MR. CHALOS: I wonder if I could ask a</p> <p>7 11 question. Is there someone assigned in the</p> <p>8 12 office to review these reports?</p> <p>9 13 MS. TSOCHLAS: There is a person that's</p> <p>10 14 assigned to monitor that they are received as</p> <p>11 15 required and reviewed. I'll go into more</p> <p>12 16 detail on the next slides on who that is and</p> <p>13 17 how he does it.</p> <p>14 18 MR. CHALOS: Sorry.</p> <p>15 19 SPECIAL MASTER BUNDY: Listen to your</p> <p>16 20 witness, Mr. Chalos.</p> <p>17 21 MR. CHALOS: A problem I've had all my</p> <p>18 22 career.</p> <p>19 23 MS. TSOCHLAS: So, if we go to the next</p> <p>20 24 slide, another report is generated every 24</p> <p>21 25 hours and is also transmitted electronically to</p> <p>22</p> <p>23 DEL VECCHIO REPORTING</p> <p>24 (203) 245-9583</p> <p>25 53</p>

<p style="text-align: right;">Page 62</p> <p>1 1 Ionia without the need for human intervention. 2 2 That includes the date, the time of 3 3 transmission, the vessel's position at the time 4 4 of transmission, the current tank levels and 5 5 volumes, the operation of the bilge pump 6 6 throughout the 24 hours, the operation of the 7 7 oily water separator throughout the 24 hours, 8 8 the status of the overboard discharge valve 9 9 within that 24 hours; how many times it's been 10 10 opened and closed, the status of the PP alarm 11 11 throughout the 24 hours. The average PPM 12 12 overboard in the event that a discharge took 13 13 place. The status of the oil content meters 14 14 fresh water valve, and the oil purge valve, and 15 15 the minimum and maximum tank levels and volumes 16 16 throughout that 24 hours. 17 17 So, if we click on the attachment, we have 18 18 an example of that report. 19 19 This is the report that is reviewed to 20 20 compare with the documentation that's submitted 21 21 by the vessel on a monthly basis. 22 22 SPECIAL MASTER BUNDY: So, the technical 23 23 manager in your -- the technical superintendent 24 24 in your office will take each one of these 25 25 daily reports and compare it to the oil records</p>	<p style="text-align: right;">Page 64</p> <p>1 22 doing the comparisons or they were -- 2 23 MS. TSOCHLAS: We have been aware of all 3 24 of those discrepancies because usually the 4 25 discrepancies have been due to the calibration 5 6 DEL VECCHIO REPORTING 7 (203) 245-9583 8 9 55 9 1 of the SWOMS, the sounding of the SWOMS, and 10 2 the chief engineer is required to compare the 11 3 readings on a daily basis, and in the event 12 4 that he finds that there is a major discrepancy 13 5 above the level of tolerance, which is a five 14 6 percent difference, he's required to report it 15 7 directly to the CCM, Mr. Karagiorgis, so we can 16 8 arrange for a technician to go onboard and 17 9 calibrate the SWOMS units. 18 10 SPECIAL MASTER BUNDY: So, the chief 19 11 engineer then, if he identifies -- every day 20 12 this report is also printed out onboard? 21 13 MS. TSOCHLAS: Yes. It's not printed out, 22 14 but he is able to compare it. 23 15 SPECIAL MASTER BUNDY: And he then looks 24 16 at his own people's soundings, and if he sees a 25 17 difference, what does he do, does he go and</p>
<p style="text-align: right;">Page 63</p> <p>1 2 DEL VECCHIO REPORTING 3 (203) 245-9583 4 5 54 5 1 book, say, or the alarm. 6 2 MS. TSOCHLAS: And the tank soundings. 7 3 And all of this documentation is provided 8 4 to everybody here. 9 5 MR. O'CONNELL: Could I ask a question? 10 6 SPECIAL MASTER BUNDY: Yes. 11 7 MR. O'CONNELL: What happens when there is 12 8 a discrepancy? 13 9 MS. TSOCHLAS: The CCM, Mr. Karagiorgis, 14 10 initiates an investigation. 15 11 MR. O'CONNELL: And has that occurred on 16 12 any occasion? 17 13 MS. TSOCHLAS: Minor discrepancies have 18 14 been identified, but the investigation hasn't 19 15 led to if there's been an anomaly in an 20 16 operation, it's generally due to a clerical 21 17 error, something along those lines. 22 18 MR. O'CONNELL: So, there's been instances 23 19 when the IEC audits have found discrepancies in 24 20 the SWOMS tank levels. On those occasions, had 25 21 Ionia already discovered the discrepancies by</p>	<p style="text-align: right;">Page 65</p> <p>1 18 verify the soundings with the people to make 2 19 sure that the sounding was accurate? 3 20 MS. TSOCHLAS: Yes. 4 21 SPECIAL MASTER BUNDY: And then at that 5 22 point, he would report that to Mr. Karagiorgis? 6 23 MS. TSOCHLAS: Yes. 7 24 MR. O'CONNELL: My question is a little 8 25 different, it's independent of what the chief 9 10 DEL VECCHIO REPORTING 11 (203) 245-9583 12 13 56 13 1 engineer is doing onboard, shoreside they're 14 2 getting this data hourly and daily and then a 15 3 comparison is made, is there an effort 16 4 shoreside to determine if the data they're 17 5 getting from the sounding books off the vessel 18 6 are matching up? 19 7 MS. TSOCHLAS: Yes. The comparison is 20 8 carried out. We have a spreadsheet that 21 9 assists the person reviewing the data to see -- 22 10 to identify easily the discrepancies, and 23 11 you'll see an example of that a little bit 24 12 further on. This is monitored daily. With all 25 13 the discrepancies that have been identified,</p>

<p style="text-align: right;">Page 66</p> <p>1 14 we've been fully aware of them right from the</p> <p>2 15 start.</p> <p>3 16 SPECIAL MASTER BUNDY: One of the</p> <p>4 17 questions I have is, have you identified any</p> <p>5 18 discrepancies from, say, the monthly review</p> <p>6 19 when you get the vessel's documents that were</p> <p>7 20 not already identified by the chief engineer in</p> <p>8 21 his daily comparison? For instance, when</p> <p>9 22 you've had a calibration problem or some other</p> <p>10 23 problem where the soundings do not match up?</p> <p>11 24 MS. TSOCHLAS: No, that's usually</p> <p>12 25 immediately identified by the chief engineer</p> <p>13</p> <p>14 DEL VECCHIO REPORTING</p> <p>15 (203) 245-9583</p> <p>16 57</p> <p>17 1 and immediately reported.</p> <p>18 2 SPECIAL MASTER BUNDY: Have there been any</p> <p>19 3 situations where the chief engineer is not --</p> <p>20 4 MS. TSOCHLAS: No, I can pretty safely say</p> <p>21 5 we've been aware right from the start of any</p> <p>22 6 calibration problem or discrepancy problem</p> <p>23 7 between soundings -- between the manual</p> <p>24 8 soundings and the SWOMS readings.</p> <p>25 9 SPECIAL MASTER BUNDY: Thank you.</p>	<p style="text-align: right;">Page 68</p> <p>1 6 the SWOMS. So, we can always know in what</p> <p>2 7 position, whether it's opened or closed.</p> <p>3 8 The SWOMS is also connected to a GPS</p> <p>4 9 antenna, so that we are provided with the exact</p> <p>5 10 position of the vessel at the time of opening</p> <p>6 11 and closing of the valve.</p> <p>7 12 The next slide shows the layout of the</p> <p>8 13 SWOMS onboard our vessels, this has been</p> <p>9 14 prepared by Vigilant Marine Systems, and here</p> <p>10 15 you can see how the Enviro-Logger of the main</p> <p>11 16 panel is connected to the bilges and the sludge</p> <p>12 17 and oil tank, it's also connected to a GPS, the</p> <p>13 18 oily water separator, the oil content meter,</p> <p>14 19 the overboard valve position, the bilge holding</p> <p>15 20 tank transfer, the oily water separator</p> <p>16 21 controls, and the incinerator, the sludge pump</p> <p>17 22 and the waste oil tank. So, you can see how</p> <p>18 23 that was setup onboard our vessels. This was</p> <p>19 24 prepared for the THEO T, it's the same for all</p> <p>20 25 four vessels.</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 59</p> <p>25 1 SPECIAL MASTER BUNDY: Was this prepared</p>
<p style="text-align: right;">Page 67</p> <p>1 10 MS. TSOCHLAS: So, shall we move to the</p> <p>2 11 next slide?</p> <p>3 12 Now, the system utilizes a tamperproof</p> <p>4 13 lockbox, which secures the sample of the oil</p> <p>5 14 content meter and controls the overboard</p> <p>6 15 discharge valve. This lockbox controls and</p> <p>7 16 verifies that there's an adequate sample</p> <p>8 17 quantity flowing through the oil content meter,</p> <p>9 18 so it can make an accurate reading, so that the</p> <p>10 19 sample has had adequate time to be measured by</p> <p>11 20 the oil content meter and that the flushing</p> <p>12 21 fresh water to the content meter is not mixed</p> <p>13 22 with the sample water. So, this lockbox</p> <p>14 23 ensures that it's tamperproof, the oil content</p> <p>15 24 meter is tamperproof.</p> <p>16 25 In the event that the lockbox detects any</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 58</p> <p>21 1 irregularities regarding the proper function of</p> <p>22 2 the oil content meter and the oily water</p> <p>23 3 separator, then the lockbox prevents the</p> <p>24 4 overboard discharge valve from opening. The</p> <p>25 5 three-way valve provides position feedback to</p>	<p style="text-align: right;">Page 69</p> <p>1 2 by Vigilant Marine?</p> <p>2 3 MS. TSOCHLAS: Yes, this was prepared by</p> <p>3 4 Vigilant Marine.</p> <p>4 5 MR. CHALOS: Mr. Bundy, I wonder if I</p> <p>5 6 could ask Captain Wigger a question.</p> <p>6 7 Captain Wigger, you've been onboard the</p> <p>7 8 vessels, you've done the audit and some of your</p> <p>8 9 folks have done the audit, is what Miss</p> <p>9 10 Tsochlas is talking about here with regard to</p> <p>10 11 how the system works with the lockbox and the</p> <p>11 12 ability for the system to shutdown, the system</p> <p>12 13 is now working and functioning properly, have</p> <p>13 14 you observed that and is it working as</p> <p>14 15 represented?</p> <p>15 16 MR. WIGGER: During the audits we do carry</p> <p>16 17 out an operational test of the U.S., we inspect</p> <p>17 18 the system and make sure the piping arrangement</p> <p>18 19 is as indicated on the approved plans. The</p> <p>19 20 lockbox itself is a sealed box, but the system</p> <p>20 21 as it's designed has the safeguards for</p> <p>21 22 preventing dilution, continuous sample flow.</p> <p>22 23 So, we verify that as part of the operational</p> <p>23 24 test as well, and from what we've seen, the</p> <p>24 25 system works very, very well on the OWS.</p> <p>25</p>

<p style="text-align: right;">Page 70</p> <p>1 DEL VECCHIO REPORTING 2 (203) 245-9583 3 60 4 1 The only real -- and I think it's been 5 2 discussed at previous hearings, the only real 6 3 discrepancies we've come up with is the 7 4 calibration on some of the tanks and that seems 8 5 to be an ongoing process. And I think on other 9 6 tanks, at least one tank due to size of the 10 7 tank itself, it was very difficult to measure, 11 8 that was the incinerator waste oil tank, I 12 9 think. But the OWS itself, we've had, I think, 13 10 I believe we haven't had any real discrepancies 14 11 on the testing of the OWS and the operation of 15 12 this lockbox. 16 13 SPECIAL MASTER BUNDY: This might be a 17 14 time to ask about to follow-up, over the last 18 15 few years since the SWOMS have been developed, 19 16 it seems to me that the biggest problem that's 20 17 occurred has been these calibration issues and 21 18 all of that. 22 19 Are you satisfied that the things are 23 20 working okay now? If you were to redesign this 24 21 thing, would you change anything? 25 22 MS. TSOCHLAS: The things I think -- we</p>	<p style="text-align: right;">Page 72</p> <p>1 19 it would be stupid to take it off. But beyond 2 20 that, it provides us with extra protection to 3 21 ensure that our vessels will continue to be 4 22 compliant with environmental standards because 5 23 these are probation requirements, and that's 6 24 why we're implementing them, but it's equally 7 25 important for us to maintain a high standard of 8 9 DEL VECCHIO REPORTING 10 (203) 245-9583 11 62 12 1 environmental compliance because, obviously, 13 2 it's cost the company a lot over the years, and 14 3 we really don't want that to ever happen again. 15 4 SPECIAL MASTER BUNDY: Mr. O'Connell. 16 5 MR. O'CONNELL: While we're on the SWOMS 17 6 system, there's the issue, though, of waste oil 18 7 tank, is that still ongoing? I guess there was 19 8 problems with the calibration of that tank 20 9 that's continued throughout? 21 10 MS. TSOCHLAS: We have found a solution to 22 11 that and we have improved the readings, the 23 12 capability of the system to carry out the 24 13 sound -- the proper sounding of the tank. 25 14 MR. O'CONNELL: What was the solution?</p>
<p style="text-align: right;">Page 71</p> <p>1 23 have smooth out a lots of problems, as you are 2 24 all well aware, the problem with calibration is 3 25 an ongoing problem, and it will continue to be 4 5 DEL VECCHIO REPORTING 6 (203) 245-9583 7 61 8 1 an ongoing problem because this is a machine, 9 2 machines all have issues, and it's the same as 10 3 with the cargo tanks. Cargo tanks have a 11 4 similar system for monitoring our levels, they 12 5 also produce calibration problems. So, it's 13 6 something we have to monitor closing and we're 14 7 working with Vigilant Marine continuously to 15 8 improve it to the best we can. 16 9 SPECIAL MASTER BUNDY: Does Vigilant 17 10 Marine also provide your cargo tank? 18 11 MS. TSOCHLAS: No, that's a totally 19 12 separate system. 20 13 SPECIAL MASTER BUNDY: I guess that brings 21 14 us to the next question then, if probation is 22 15 over in December, what are Ionia's plans with 23 16 regard to the SWOMS, will you keep it onboard? 24 17 MS. TSOCHLAS: Of course, we'll keep it. 25 18 First of all, we've spent so much money on it,</p>	<p style="text-align: right;">Page 73</p> <p>1 15 MS. TSOCHLAS: Mr. Karagiorgis can explain 2 16 it better, I think. 3 17 MR. KARAGIORGIS: So, last August, these 4 18 young ladies and gentlemen went aboard the 5 19 vessel, THEO T, so they spent a couple of days 6 20 onboard the vessel and he did some special 7 21 equipment, because the job of this tanker 8 22 produced some problem, so he did some changes 9 23 and he did a lot of experiments. I mean, he 10 24 heated up the tank, he cooldown the tank, he 11 25 did a lot of changes inside the pair meters and 12 13 DEL VECCHIO REPORTING 14 (203) 245-9583 15 63 16 1 we have now improved the system. There's no 17 2 problem so far, since August. 18 3 MR. O'CONNELL: So, since August you're 19 4 getting consistent readings in the waste water? 20 5 MR. KARAGIORGIS: Yes. 21 6 MR. WIGGER: During the audit of the 22 7 PLOUTOS, Mr. Karagiorgis was onboard as well, 23 8 and at that time we did -- the incinerator 24 9 waste oil tank was okay. 25 10 MR. KARAGIORGIS: Captain Wigger, the</p>

<p style="text-align: right;">Page 74</p> <p>1 11 problem is only onboard the THEO T and the</p> <p>2 12 FIDIAS, because there's more volume of this</p> <p>3 13 tank.</p> <p>4 14 MR. WIGGER: So, we did have successful</p> <p>5 15 soundings comparison between the SWOMS and</p> <p>6 16 manual on board the PLOUTOS with this</p> <p>7 17 particular tank, as Mr. Karagiorgis just</p> <p>8 18 mentioned, the geometry and the size of the</p> <p>9 19 tank and everything else was different, so.</p> <p>10 20 MS. TSOCHLAS: As far as I remember, it</p> <p>11 21 was the PLOUTOS -- for all the tanks, it was</p> <p>12 22 spot on?</p> <p>13 23 MR. WIGGER: It was spot on. Yes, it was</p> <p>14 24 well within the five percent.</p> <p>15 25 MR. O'CONNELL: The only other question I</p> <p>16</p> <p>17 DEL VECCHIO REPORTING</p> <p>18 (203) 245-9583</p> <p>19 64</p> <p>20 1 had with the SWOMS system was I think Mr.</p> <p>21 2 Wigger had recommended that the fuel oil</p> <p>22 3 overflow tank and the scavenger drain tank, I</p> <p>23 4 don't know if I have that right, be part of the</p> <p>24 5 system, and I think you had made -- where Ionia</p> <p>25 6 made the determination that they did not want</p>	<p style="text-align: right;">Page 76</p> <p>1 3 The frames does not allow us to install the</p> <p>2 4 sensors. It's very --</p> <p>3 5 MS. TSOCHLAS: It's not practical.</p> <p>4 6 MR. WIGGER: I think the size of the tank</p> <p>5 7 is less than one cube.</p> <p>6 8 SPECIAL MASTER BUNDY: Everybody remember</p> <p>7 9 the Court Reporter is trying to take us down.</p> <p>8 10 MR. O'CONNELL: Thank you.</p> <p>9 11 SPECIAL MASTER BUNDY: Okay. Thank you.</p> <p>10 12 MS. TSOCHLAS: Shall we move onto the next</p> <p>11 13 one?</p> <p>12 14 SPECIAL MASTER BUNDY: Go back to the</p> <p>13 15 PowerPoint.</p> <p>14 16 MS. TSOCHLAS: The last item of this part</p> <p>15 17 of the agenda is the current status of the</p> <p>16 18 SWOMS installed onboard our vessels. We've</p> <p>17 19 installed the SWOMS on four of our vessels.</p> <p>18 20 The date of commissioning was carried out</p> <p>19 21 between 2009 and 2010 on all four of our</p> <p>20 22 vessels and when we say the date of</p> <p>21 23 commissioning, from the time of commissioning,</p> <p>22 24 the SWOMS have been continuously monitoring all</p> <p>23 25 waste management and transmitting data to the</p> <p>24</p> <p>25 DEL VECCHIO REPORTING</p>
<p style="text-align: right;">Page 75</p> <p>1 7 to do that or that it wasn't feasible to do</p> <p>2 8 that. Could you explain the thinking there?</p> <p>3 9 MS. TSOCHLAS: It's both not feasible and</p> <p>4 10 not beneficial to include the SWOMS, those two</p> <p>5 11 tanks and the SWOMS.</p> <p>6 12 MR. O'CONNELL: And why is that?</p> <p>7 13 MS. TSOCHLAS: First of all, the first</p> <p>8 14 tank you mentioned, the fuel drain tank, that</p> <p>9 15 is clean fuel that is reused, it's not bilge or</p> <p>10 16 waste, really.</p> <p>11 17 MR. O'CONNELL: That's the way the system</p> <p>12 18 is supposed to operate, correct?</p> <p>13 19 MS. TSOCHLAS: Yes.</p> <p>14 20 MR. O'CONNELL: And the other tank?</p> <p>15 21 MS. TSOCHLAS: The scavenger tank is a</p> <p>16 22 very, very small tank that doesn't have a</p> <p>17 23 sufficient amount in order to make it really</p> <p>18 24 practical to monitor.</p> <p>19 25 MR. O'CONNELL: Thank you.</p> <p>20</p> <p>21 DEL VECCHIO REPORTING</p> <p>22 (203) 245-9583</p> <p>23 65</p> <p>24 1 MR. KARAGIORGIS: You cannot install the</p> <p>25 2 tanks at this time. Because it's very small.</p>	<p style="text-align: right;">Page 77</p> <p>1 (203) 245-9583</p> <p>2 66</p> <p>3 1 company without the need for human</p> <p>4 2 intervention. However, due to the many</p> <p>5 3 discussions we've carried out during previous</p> <p>6 4 hearings and our correspondence with Vigilant</p> <p>7 5 Marine, we managed to modify the systems so</p> <p>8 6 that hourly reporting could be carried out and</p> <p>9 7 modification was carried out in February and</p> <p>10 8 March of this year.</p> <p>11 9 So, the SWOMS are installed onboard all</p> <p>12 10 four vessels, we believe in full compliance</p> <p>13 11 with the requirements of the scope of work and</p> <p>14 12 are fully operational for all four vessels.</p> <p>15 13 So, shall we move on to the next item of</p> <p>16 14 the agenda?</p> <p>17 15 SPECIAL MASTER BUNDY: Yes.</p> <p>18 16 MS. TSOCHLAS: The fourth item of the</p> <p>19 17 agenda is the development of effective</p> <p>20 18 methodology and procedures to analyze and</p> <p>21 19 compare the shipboard records that are</p> <p>22 20 submitted by the vessel on a monthly basis with</p> <p>23 21 the electronic records that are generated by</p> <p>24 22 the SWOMS and transmitted to the company.</p> <p>25 23 Now, paragraph 4B of the scope of work</p>

<p style="text-align: right;">Page 78</p> <p>1 24 requires that the CCM is responsible for</p> <p>2 25 ensuring that electronic data is transmitted by</p> <p>3</p> <p>4 DEL VECCHIO REPORTING</p> <p>5 (203) 245-9583</p> <p>6 67</p> <p>7 1 the SWOMS and is submitted to the special</p> <p>8 2 Master, the IEC, and the United States on a</p> <p>9 3 monthly basis and is responsible for developing</p> <p>10 4 procedures to review and analyze the shipboard</p> <p>11 5 records and compare those records with the</p> <p>12 6 SWOMS's data.</p> <p>13 7 So, now we have here a flowchart of the</p> <p>14 8 process that takes place in the company. The</p> <p>15 9 CCM ensures that daily and hourly reports are</p> <p>16 10 received at the company as required. All</p> <p>17 11 hourly reports are maintained in our company's</p> <p>18 12 electronic filing system on the company's</p> <p>19 13 server, as we said earlier. The daily data</p> <p>20 14 transmitted by the SWOMS is recorded in our</p> <p>21 15 company's database, it's entered into a</p> <p>22 16 spreadsheet that facilitates the comparison of</p> <p>23 17 the records. Then the data submitted by the</p> <p>24 18 chief engineer on a monthly basis is also</p> <p>25 19 entered into the spreadsheet. The CCM ensures</p>	<p style="text-align: right;">Page 80</p> <p>1 16 are monthly sent from the vessel to shoreside</p> <p>2 17 that are compared with the SWOMS's data?</p> <p>3 18 THE WITNESS: There is -- it's included in</p> <p>4 19 the procedure.</p> <p>5 20 SPECIAL MASTER BUNDY: Okay.</p> <p>6 21 MS. TSOCHLAS: In the section that's for</p> <p>7 22 document submission. I don't know if we have</p> <p>8 23 it in this attachment, but we definitely have</p> <p>9 24 it in the environmental management plan that's</p> <p>10 25 attached.</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 69</p> <p>15 1 SPECIAL MASTER BUNDY: Do you know what</p> <p>16 2 section that would be?</p> <p>17 3 MS. TSOCHLAS: It's in the U.S. compliance</p> <p>18 4 annex, which I think is in Section 13.</p> <p>19 5 SPECIAL MASTER BUNDY: That's fine.</p> <p>20 6 MS. TSOCHLAS: If we look in Section 13,</p> <p>21 7 it's in the -- it says daily tank soundings.</p> <p>22 8 Shall I find it for you a little bit</p> <p>23 9 later.</p> <p>24 10 SPECIAL MASTER BUNDY: That's fine. If we</p> <p>25 11 take a break, we can look for it. I don't want</p>
<p style="text-align: right;">Page 79</p> <p>1 20 that a review of the data is carried out and</p> <p>2 21 ensures that there are no inconsistencies</p> <p>3 22 between the daily and the monthly data, the</p> <p>4 23 data that's transmitted by the SWOMS and the</p> <p>5 24 data that's submitted by the chief engineer,</p> <p>6 25 and in the event that any inconsistency is</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 68</p> <p>11 1 identified, the hourly data transmitted by the</p> <p>12 2 SWOMS is utilized for further investigation in</p> <p>13 3 order to verify that there are no anomalies in</p> <p>14 4 the operations carried out onboard.</p> <p>15 5 So, if we open the attachment, we have</p> <p>16 6 included the process for the comparison of</p> <p>17 7 records in our environmental management plan.</p> <p>18 8 So, if we move down quite far, page three, I</p> <p>19 9 have highlighted that process that I've just</p> <p>20 10 explained in summary.</p> <p>21 11 So, shall we go to the next slide?</p> <p>22 12 This is the company's organization chart.</p> <p>23 13 SPECIAL MASTER BUNDY: Before we go there,</p> <p>24 14 is there in the -- maybe I missed it in the</p> <p>25 15 plan -- is there a list of the documents that</p>	<p style="text-align: right;">Page 81</p> <p>1 12 to delay things unnecessarily.</p> <p>2 13 MS. TSOCHLAS: So, shall we move onto the</p> <p>3 14 organization chart?</p> <p>4 15 SPECIAL MASTER BUNDY: Yes.</p> <p>5 16 MS. TSOCHLAS: Here I've circled in red</p> <p>6 17 the people that are -- the roles in the company</p> <p>7 18 that are involved with the review of the</p> <p>8 19 document submission.</p> <p>9 20 We have a junior technical superintendent</p> <p>10 21 who is responsible for ensuring that the data</p> <p>11 22 is received on a daily basis and on an hourly</p> <p>12 23 basis and he is responsible for entering into</p> <p>13 24 the spreadsheet the data as required. He works</p> <p>14 25 in liaison with the superintendent engineer in</p> <p>15</p> <p>16 DEL VECCHIO REPORTING</p> <p>17 (203) 245-9583</p> <p>18 70</p> <p>19 1 the event that they find any discrepancies, and</p> <p>20 2 the technical manager is the CCM,</p> <p>21 3 Mr. Karagiorgis, is responsible for the</p> <p>22 4 overall -- is overall responsible for the</p> <p>23 5 process, he ensures that the process is carried</p> <p>24 6 out as required and if any discrepancies or</p> <p>25 7 anomalies are identified, they are discussed</p>

<p style="text-align: right;">Page 82</p> <p>1 8 with him and he initiates the investigation as 2 9 required. 3 10 SPECIAL MASTER BUNDY: How many people are 4 11 employed at the level of superintendent 5 12 engineer? 6 13 MS. TSOCHLAS: We have three 7 14 superintendent engineers. 8 15 SPECIAL MASTER BUNDY: And there are 9 16 junior technical engineers that are attached to 10 17 each? 11 18 MS. TSOCHLAS: We have one junior 12 19 technical independent and one special -- the 13 20 junior technical superintendent is practically 14 21 his entire responsibility is to do with this. 15 22 SPECIAL MASTER BUNDY: Okay. 16 23 MS. TSOCHLAS: It takes up a lot of his 17 24 time. 18 25 SPECIAL MASTER BUNDY: Okay. Thank you. 19 20 DEL VECCHIO REPORTING 21 (203) 245-9583 22 71 23 1 THE WITNESS: So, if we move to the next 24 2 slide, we have the spreadsheet that's utilized 25 3 for the comparison of the data.</p>	<p style="text-align: right;">Page 84</p> <p>1 72 2 1 you're reviewing this data about how you would 3 2 contact this vessel if there's discrepancy 4 3 issues. 5 4 MS. TSOCHLAS: It turns red. 6 5 MR. O'CONNELL: It turns red and is that 7 6 based on what you view as the five percent 8 7 discrepancy? 9 8 MS. TSOCHLAS: Yes, for the comparison 10 9 between the SWOMS and the tank levels, the 11 10 manual tank levels. 12 11 MR. O'CONNELL: So, in the sheet, if 13 12 there's a discrepancy over five percent, it 14 13 will come up red and that will trip some type 15 14 of investigation on the shoreside part? 16 15 MS. TSOCHLAS: Exactly. 17 16 So, shall we move to the next slide? 18 17 Upon completion of the review of the 19 18 documentation each month, we provide feedback 20 19 to the vessel's chief engineer, which may also 21 20 include any requests for clarification. 22 21 Shall we move on to the fifth item of the 23 22 agenda? 24 23 SPECIAL MASTER BUNDY: That's fine. 25 24 MS. TSOCHLAS: We're kind of speeding</p>
<p style="text-align: right;">Page 83</p> <p>1 4 The data that is recorded in the 2 5 spreadsheet is the tank levels and volumes as 3 6 per the SWOMS's data that's transmitted on the 4 7 24 hour basis. The tank levels and volumes as 5 8 per manual soundings that are submitted on a 6 9 monthly basis. The hours of operation of the 7 10 oily water separator within each 24 hours, and 8 11 the hours of operation of the incinerator. The 9 12 spreadsheet automatically calculates the 10 13 discrepancies, so it's very easy for the 11 14 responsible person to identify whether any 12 15 discrepancies are not within the tolerance. 13 16 And if we open the attachment, you can see how 14 17 the data is entered, and then if we look on the 15 18 next page, the discrepancies are the red 16 19 columns, orange columns, that are automatically 17 20 calculated. 18 21 So, this is what we utilize to carryout 19 22 the comparison, and based on the request made 20 23 by Captain Wigger, is also submitted with the 21 24 rest of the documentation on a monthly basis. 22 25 MR. O'CONNELL: Is there a trigger when 23 24 DEL VECCHIO REPORTING 25 (203) 245-9583</p>	<p style="text-align: right;">Page 85</p> <p>1 25 through this. 2 3 DEL VECCHIO REPORTING 4 (203) 245-9583 5 73 6 1 So, this item is how we have developed a 7 2 system and procedures for the continual 8 3 assessment in improving our environmental 9 4 compliance and in fostering a culture of 10 5 compliance onboard our vessels and within our 11 6 company ashore, it includes our management 12 7 structure, the independence of the people that 13 8 are responsible with maintaining environmental 14 9 standards, the development and implementation 15 10 and effectiveness of our environmental 16 11 management plan, our training efforts with 17 12 regards to the environment, and examples of any 18 13 successful or positive changes in attitudes 19 14 towards environmental compliance. 20 15 Now, I think before I begin with each part 21 16 separately, I think that over the last four 22 17 years there's been a huge change in the 23 18 company's environmental culture and that is 24 19 evident onboard our vessels and within our 25 20 company, and I think it must be evident to both</p>

<p style="text-align: right;">Page 86</p> <p>1 21 Captain Wigger and Mr. Sanborn who have been 2 22 following our progress throughout the four year 3 23 period of boarding our vessels and having come 4 24 to our offices at the beginning of the 5 25 probation. 6 7 DEL VECCHIO REPORTING 8 (203) 245-9583 9 74 10 1 So, shall we start -- 11 2 SPECIAL MASTER BUNDY: What do you 12 3 attribute the change to? 13 4 MS. TSOCHLAS: Well, there's been -- first 14 5 of all, we're on probation, so that really did 15 6 encourage us to change, but apart from that, 16 7 there's been a change in the staff involved 17 8 with the day-to-day operations at the offices, 18 9 that change can keep us now -- for example, me 19 10 and Mr. Karagiorgis has brought about a huge 20 11 change in the culture of the company and that's 21 12 not just to do with the environment, that's 22 13 actually to do with the overall running 23 14 according to safety onboard our vessels. So, 24 15 basically, what the company did was it took a 25 16 very negative experience and turned it into</p>	<p style="text-align: right;">Page 88</p> <p>1 13 This training has also been provided to our 2 14 shore-based personnel, so I think probably the 3 15 most important part of this program has been 4 16 the training. The SWOMS provides us with added 5 17 protection, but the most important thing in 6 18 environmental compliance is the culture of the 7 19 people in the office and onboard the vessel. 8 20 So, training is key to changing the culture of 9 21 people, both onboard and in the company. So, I 10 22 think it's been very important, our training 11 23 program in changing our culture. 12 24 MR. SANBORN: The second part of that 13 25 question was, does your perception of the 14 15 DEL VECCHIO REPORTING 16 (203) 245-9583 17 76 18 1 enthusiasm for that in the training facilities 19 2 outside -- outside the company, i.e., the 20 3 Philippines where most of your people 21 4 ultimately come from? 22 5 MS. TSOCHLAS: Well, I think they have 23 6 become very aware of the company's 24 7 environmental policy and standard. I think 25 8 that's not just within our company, but within</p>
<p style="text-align: right;">Page 87</p> <p>1 17 something beneficial for the company because 2 18 we've turned over a new leaf. 3 19 SPECIAL MASTER BUNDY: Okay. 4 20 Mr. Sanborn? 5 21 MR. SANBORN: Miss Tsochlas, how big a 6 22 role do you think the training has played in 7 23 this, the external training, I'm thinking 8 24 primarily of the Philippines and what changes 9 25 have you seen in there, I'll call it, attitude 10 11 DEL VECCHIO REPORTING 12 (203) 245-9583 13 75 14 1 toward the whole issue of environmental 15 2 compliance? 16 3 MS. TSOCHLAS: I think the training has 17 4 played a huge role. We've totally changed our 18 5 training program, it's become much more 19 6 detailed, much more focused, and not just 20 7 ashore and onboard, we've provided a huge 21 8 amount of material. We have focused a lot of 22 9 the environmental, but we've included a lot of 23 10 changes with our management, so this has 24 11 brought an overall change and improvement of 25 12 quality in our seafarers onboard our vessels.</p>	<p style="text-align: right;">Page 89</p> <p>1 9 all companies, a lot of the MARPOL violations 2 10 that take place have a lot to do with lack of 3 11 awareness rather than actually wanting to do 4 12 something wrong intentionally, so training -- 5 13 the training has really, really helped to 6 14 increase the environmental awareness. 7 15 Did I answer the question or are you 8 16 asking something else? 9 17 MR. SANBORN: Well, I guess my question 10 18 was, the second piece to that question was, 11 19 could you describe a change in attitude toward 12 20 environmental training on behalf of the 13 21 institutions? There are four of them that you 14 22 deal with in the Philippines. 15 23 MS. TSOCHLAS: Well, they have developed 16 24 environmental training programs based on our 17 25 request and I think on other companies's 18 19 DEL VECCHIO REPORTING 20 (203) 245-9583 21 77 22 1 request because it's not just our company 23 2 that's involved in this, there are other 24 3 companies, and the environment has become a 25 4 very sensitive issue worldwide, not just in</p>

<p style="text-align: right;">Page 90</p> <p>1 5 shipping overall, so a number of the courses</p> <p>2 6 that are now being provided by the external</p> <p>3 7 organizations were not provided a few years</p> <p>4 8 ago, they weren't available a few years ago, so</p> <p>5 9 they kind of become available based on popular</p> <p>6 10 demand.</p> <p>7 11 MR. SANBORN: Thank you.</p> <p>8 12 SPECIAL MASTER BUNDY: Captain Wigger?</p> <p>9 13 MR. WIGGER: If you think it's appropriate</p> <p>10 14 at this time, but in follow-up to some of Miss</p> <p>11 15 Tsochlas's comments about training and culture,</p> <p>12 16 I could just give you some firsthand</p> <p>13 17 observations based on the last audit.</p> <p>14 18 SPECIAL MASTER BUNDY: Well, then why</p> <p>15 19 don't we do that since you've followed that</p> <p>16 20 path.</p> <p>17 21 MR. WIGGER: The last audit for me was an</p> <p>18 22 excellent audit, but as part of that audit, I</p> <p>19 23 did interview a number of the crew members,</p> <p>20 24 both at the lower levels on up to the officer</p> <p>21 25 ranks, and in those interviews they were fairly</p> <p>22</p> <p>23 DEL VECCHIO REPORTING</p> <p>24 (203) 245-9583</p> <p>25 78</p>	<p style="text-align: right;">Page 92</p> <p>1</p> <p>2 DEL VECCHIO REPORTING</p> <p>3 (203) 245-9583</p> <p>4 79</p> <p>5 1 portrayed where the company was coming from,</p> <p>6 2 too, as being really committed to the</p> <p>7 3 environmental aspect of compliance and</p> <p>8 4 everything else. So -- but those crew</p> <p>9 5 interviews themselves were, I think, a very</p> <p>10 6 good indication of where the company is right</p> <p>11 7 now, because in other cases we have been</p> <p>12 8 involved in, I can tell you that you go to the</p> <p>13 9 company, you do an office audit, you meet with</p> <p>14 10 the management, everything is, oh, we got this</p> <p>15 11 in place, we got this in place, and then you go</p> <p>16 12 onboard the vessel and a lot of what they say</p> <p>17 13 they have in place from a training perspective,</p> <p>18 14 even from an operational perspective is not</p> <p>19 15 really -- there's not all that volume that you</p> <p>20 16 would expect based upon the impression you get</p> <p>21 17 from the management, but I can tell you that it</p> <p>22 18 seems to be totally integrated, at least based</p> <p>23 19 upon the final audit that I did carry out</p> <p>24 20 onboard PLOUTOS, which was also the final of</p> <p>25 21 the finals. So, I just offer that up in</p>
<p style="text-align: right;">Page 91</p> <p>1 1 lengthy, they were at random, there was no</p> <p>2 2 preselection, there was no forewarning that I</p> <p>3 3 would be interviewing those individuals and the</p> <p>4 4 individuals did focus a lot of the training,</p> <p>5 5 awareness, and just their overall environmental</p> <p>6 6 commitment, and I think in my report I was able</p> <p>7 7 to relay that the interviews were very, very</p> <p>8 8 positive, there was a lot of enthusiasm amongst</p> <p>9 9 the crew members I did interview, there were --</p> <p>10 10 it was -- it appeared to me to be very sincere,</p> <p>11 11 they were interested in the company, working</p> <p>12 12 with the company to ensure their complete</p> <p>13 13 environmental compliance, they spoke in detail</p> <p>14 14 about the training they did receive, both the</p> <p>15 15 pre-joining and onboard training through the</p> <p>16 16 safety environmental meetings, as well as the</p> <p>17 17 computer based training, so that, to me, put a</p> <p>18 18 very good cap on things because, again, in the</p> <p>19 19 beginning of the process, training was an issue</p> <p>20 20 that we had, and the training program has</p> <p>21 21 developed over the time.</p> <p>22 22 Mr. Karagiorgis was also onboard during</p> <p>23 23 that last audit and, you know, his knowledge</p> <p>24 24 and presence onboard and his input during that</p> <p>25 25 audit from a company perspective, again,</p>	<p style="text-align: right;">Page 93</p> <p>1 22 relation to your comment?</p> <p>2 23 MS. TSOCHLAS: Well, we have worked very</p> <p>3 24 hard on the training program. It's been very</p> <p>4 25 important to us, because, as I said, putting a</p> <p>5</p> <p>6 DEL VECCHIO REPORTING</p> <p>7 (203) 245-9583</p> <p>8 80</p> <p>9 1 machine on the vessel it does provide us with</p> <p>10 2 protection, but the most important thing is</p> <p>11 3 ensuring that we have the right culture onboard</p> <p>12 4 our vessels.</p> <p>13 5 MR. CHALOS: Do you think this is a good</p> <p>14 6 time for a break?</p> <p>15 7 SPECIAL MASTER BUNDY: I guess this is not</p> <p>16 8 an endurance contest.</p> <p>17 9 (Whereupon, a brief recess was</p> <p>18 10 held.)</p> <p>19 11 SPECIAL MASTER BUNDY: Please continue,</p> <p>20 12 Miss Tsochlas.</p> <p>21 13 MS. TSOCHLAS: All right. So, we stopped</p> <p>22 14 off at the organization chart of the company.</p> <p>23 15 I'm going to try and speak even slower because</p> <p>24 16 I received some complaints.</p> <p>25 17 Here you can see the technical manager is</p>

<p style="text-align: right;">Page 94</p> <p>1 18 circled in red, who is the CCM as well, and the</p> <p>2 19 DPA/EMR/QMR/CSO, that's me, the environmental</p> <p>3 20 management representative.</p> <p>4 21 As you can see, we both have direct</p> <p>5 22 reporting lines to the managing director.</p> <p>6 23 Now, if we click on the attachments here,</p> <p>7 24 we can see my responsibilities with regard to</p> <p>8 25 our environmental compliance. I am to ensure</p> <p>9</p> <p>10 DEL VECCHIO REPORTING</p> <p>11 (203) 245-9583</p> <p>12 81</p> <p>13 1 that the environmental management system</p> <p>14 2 requirements are established, implemented, and</p> <p>15 3 maintained in accordance with the requirements.</p> <p>16 4 And to report on the performance of the</p> <p>17 5 environmental management system to the managing</p> <p>18 6 director for review, and to base improvement of</p> <p>19 7 the system. Ensure that audit results are</p> <p>20 8 brought to the attention of the managing</p> <p>21 9 director and that all personnel responsible,</p> <p>22 10 take the necessary corrective actions. I</p> <p>23 11 maintain a list of environmental legislation</p> <p>24 12 applicable to our activities, and I maintain a</p> <p>25 13 list of the environmental aspects of the</p>	<p style="text-align: right;">Page 96</p> <p>1 10 environmental management representative have</p> <p>2 11 direct reporting lines to the managing</p> <p>3 12 director. We have no budget limitations with</p> <p>4 13 regards to the implementation of environmental</p> <p>5 14 requirements in order to ensure environmental</p> <p>6 15 compliance. This is of paramount importance to</p> <p>7 16 our company and we aren't restricted in any way</p> <p>8 17 when it comes to budget as to what needs to be</p> <p>9 18 done to ensure environmental compliance.</p> <p>10 19 SPECIAL MASTER BUNDY: I guess that it's</p> <p>11 20 no secret of the worldwide economic slowdown</p> <p>12 21 and whether that's effected the company's</p> <p>13 22 ability to comply with the environmental</p> <p>14 23 requirements of the scope of work in general.</p> <p>15 24 MS. TSOCHLAS: Obviously, it makes things</p> <p>16 25 more difficult. The money isn't what it used</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 83</p> <p>21 1 to be, we can't hide that, but it's more</p> <p>22 2 expensive not to have proper environmental</p> <p>23 3 compliance. So, we've experienced no</p> <p>24 4 limitations when it comes to implementing</p> <p>25 5 environmental requirements.</p>
<p style="text-align: right;">Page 95</p> <p>1 14 company's activities.</p> <p>2 15 So, now if we go to the CCM</p> <p>3 16 responsibilities. These are Mr. Karagiorgis's</p> <p>4 17 responsibilities in accordance with the</p> <p>5 18 implementation of the scope of work. He is</p> <p>6 19 responsible for coordinating with the special</p> <p>7 20 Master regarding the terms of probation,</p> <p>8 21 ensuring that the terms of probation are</p> <p>9 22 implemented and ensuring compliance, ensuring</p> <p>10 23 that observations resulting from any kind of</p> <p>11 24 inspection are properly documented, tracked,</p> <p>12 25 and resolved, ensuring that the vessels submit</p> <p>13</p> <p>14 DEL VECCHIO REPORTING</p> <p>15 (203) 245-9583</p> <p>16 82</p> <p>17 1 the records as required to all the parties as</p> <p>18 2 required, monitoring the environmental tank</p> <p>19 3 system implemented onboard our vessels,</p> <p>20 4 ensuring that the bilge samples are taken and</p> <p>21 5 analyzed in accordance with the requirements,</p> <p>22 6 and evaluating the fleets engineering surveys</p> <p>23 7 that are submitted by shipboard personnel.</p> <p>24 8 Shall we go to the next slide?</p> <p>25 9 As I said already, the CCM and the</p>	<p style="text-align: right;">Page 97</p> <p>1 6 SPECIAL MASTER BUNDY: Thank you.</p> <p>2 7 MS. TSOCHLAS: Now, the environmental</p> <p>3 8 management plan. As I've already said earlier</p> <p>4 9 on in the presentation, it was developed based</p> <p>5 10 on the requirements of the scope of work and</p> <p>6 11 the recommendations made by the IEC during the</p> <p>7 12 initial audit carried out onboard the M/T THEO</p> <p>8 13 T in 2008.</p> <p>9 14 The finalized environmental management</p> <p>10 15 plan came into effect on the 1st of July of</p> <p>11 16 2009. It was developed -- a lot of work was</p> <p>12 17 carried out on this environmental management</p> <p>13 18 plan with both Mr. Sanborn and Captain Wigger</p> <p>14 19 to make sure that all the requirements were in</p> <p>15 20 there and the procedures were adequate in order</p> <p>16 21 to ensure environmental compliance. Since</p> <p>17 22 then, we've made numerous revisions to the</p> <p>18 23 environmental management plan in our efforts</p> <p>19 24 for continuous improvement. The revisions have</p> <p>20 25 been made based on recommendations made by</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 84</p> <p>25 1 Captain Wigger following audits onboard the</p>

<p style="text-align: right;">Page 98</p> <p>1 2 vessels made by Mr. Sanborn following his</p> <p>2 3 review of the environmental management plan,</p> <p>3 4 following our own, based on our own</p> <p>4 5 observations during the implementation of the</p> <p>5 6 plan, and suggestions made by our crew members</p> <p>6 7 when they carryout reviews of the system.</p> <p>7 8 Now I've attached to the environmental</p> <p>8 9 management plan -- I don't think we'll go</p> <p>9 10 through it all --</p> <p>10 11 SPECIAL MASTER BUNDY: All 137 pages, I</p> <p>11 12 don't think it's necessary.</p> <p>12 13 MS. TSOCHLAS: Believe me, it took a lot</p> <p>13 14 of work to develop those 137 pages.</p> <p>14 15 SPECIAL MASTER BUNDY: I'm sure it did.</p> <p>15 16 Did you use any particular source to help</p> <p>16 17 with you the ISO 14,001?</p> <p>17 18 MS. TSOCHLAS: We've used ISO 14,001</p> <p>18 19 prototype, but our main source was Captain</p> <p>19 20 Wigger's experience and input.</p> <p>20 21 SPECIAL MASTER BUNDY: Okay.</p> <p>21 22 MR. O'CONNELL: I have a question.</p> <p>22 23 Regarding -- previously, the company is</p> <p>23 24 supposed to have an environmental compliance</p> <p>24 25 plan as part of their ISM compliance, and so</p>	<p style="text-align: right;">Page 100</p> <p>1 23 there was one procedure for all elements of</p> <p>2 24 that safety management system. Based on</p> <p>3 25 Captain Wigger's recommendation, we separated</p> <p>4</p> <p>5 DEL VECCHIO REPORTING</p> <p>6 (203) 245-9583</p> <p>7 86</p> <p>8 1 the environmental management plan so we could</p> <p>9 2 provide more focus on the implementation of</p> <p>10 3 those requirements and enhance the</p> <p>11 4 implementation of the requirements and, also,</p> <p>12 5 assist our crew members in gaining a better</p> <p>13 6 grasp of the requirements of the environmental</p> <p>14 7 management plan, and there we included a number</p> <p>15 8 of procedures that were entirely focused on the</p> <p>16 9 environmental compliance aspect of the system.</p> <p>17 10 MR. O'CONNELL: So, there's been a big</p> <p>18 11 change since, you know, 2008 when probation</p> <p>19 12 started?</p> <p>20 13 MS. TSOCHLAS: A huge change, not a big</p> <p>21 14 change, a huge change. We have 137 extra</p> <p>22 15 pages.</p> <p>23 16 SPECIAL MASTER BUNDY: Mr. Sanborn?</p> <p>24 17 MR. SANBORN: Miss Tsochlas, in terms of</p> <p>25 18 feedback from the users of this manual, what</p>
<p style="text-align: right;">Page 99</p> <p>1 DEL VECCHIO REPORTING</p> <p>2 (203) 245-9583</p> <p>3 85</p> <p>4 1 this is something that's been -- so, there</p> <p>5 2 should have been or there was an environmental</p> <p>6 3 compliance plan prior to 2008 or 2009 when this</p> <p>7 4 was implemented, is that correct?</p> <p>8 5 MS. TSOCHLAS: There was -- well, ISM</p> <p>9 6 doesn't require an environmental compliance</p> <p>10 7 plan, it has some elements related to the</p> <p>11 8 environment, but it's not very detailed and it</p> <p>12 9 doesn't have very detailed requirements. We</p> <p>13 10 had certified the vessel -- the company with</p> <p>14 11 ISO 14,001 in 2007, that's a more developed</p> <p>15 12 system with regards to environmental</p> <p>16 13 management, but this whole -- and we had the</p> <p>17 14 system in place, but it was definitely improved</p> <p>18 15 and enhanced later on down the line.</p> <p>19 16 MR. O'CONNELL: But you rewrote that</p> <p>20 17 system from --</p> <p>21 18 MS. TSOCHLAS: As I said, the system was</p> <p>22 19 originally integrated into our safety</p> <p>23 20 management system. For example, the procedures</p> <p>24 21 on training were common for safety and</p> <p>25 22 environmental. The procedures for audits,</p>	<p style="text-align: right;">Page 101</p> <p>1 19 have you gleaned from those that are using it,</p> <p>2 20 are they -- were they overwhelmed with it in</p> <p>3 21 the beginning, have they warmed up to it, has</p> <p>4 22 it -- can you say it is or, to some degree, a</p> <p>5 23 useful tool to the manual?</p> <p>6 24 MS. TSOCHLAS: Well, initially, of course,</p> <p>7 25 there was a lot of complaining, because nobody</p> <p>8</p> <p>9 DEL VECCHIO REPORTING</p> <p>10 (203) 245-9583</p> <p>11 87</p> <p>12 1 likes change, it's human nature, and change</p> <p>13 2 kills, nobody wants change, and there was a lot</p> <p>14 3 of complaining and a lot of, we can't do this,</p> <p>15 4 and we don't want to go onboard ships with this</p> <p>16 5 kind of plan, but within a year that turned</p> <p>17 6 around 100 percent. It's, I think -- although</p> <p>18 7 I may say so myself, it's been developed quite</p> <p>19 8 well in a user friendly manner so our seafarers</p> <p>20 9 have found it easy to use and they definitely</p> <p>21 10 appreciate that they have clear guidance on</p> <p>22 11 environmental compliance, because as I said</p> <p>23 12 before, a lot of the time environmental</p> <p>24 13 violations were taking place, and not just</p> <p>25 14 within our company, generally, I think this --</p>

<p style="text-align: right;">Page 102</p> <p>1 15 due to lack of awareness and lack of awareness 2 16 of the consequences and lack of guidance from 3 17 the company, so they appreciate that they have 4 18 clear guidelines as to what they're supposed to 5 19 do when it comes to the environmental 6 20 management system. 7 21 MR. SANBORN: Thank you. 8 22 MR. WIGGER: A question also. 9 23 Are you integrating into this management 10 24 system the tanker management assessment? 11 25 MS. TSOCHLAS: Of course. 12 13 DEL VECCHIO REPORTING 14 (203) 245-9583 15 88 16 1 MR. WIGGER: So, how far along in the 17 2 process are you with that as far as developing 18 3 your -- 19 4 MS. TSOCHLAS: Within the last year, we've 20 5 had three TMSA orders, one by Sharon, one by 21 6 OMV, which is an Australian major, and the last 22 7 one was by Exxon Mobil, and we did very well in 23 8 all three of them. 24 9 MR. WIGGER: And your environmental 25 10 section of the TMSA is that it's been</p>	<p style="text-align: right;">Page 104</p> <p>1 7 at TMSA, a track from the oil majors that where 2 8 you do have these vetting, do they look at this 3 9 as a positive thing or do they, again, look at 4 10 it, wait a minute, what's this probation as far 5 11 as vetting your vessels? 6 12 MS. TSOCHLAS: I just had a conversation 7 13 earlier with Captain Burgess. They don't look 8 14 at the probation as a positive thing. I think 9 15 that goes without saying. 10 16 MR. WIGGER: But relative to what you're 11 17 implementing as a result of that probation, do 12 18 they perceive that as positive? 13 19 MS. TSOCHLAS: Yeah, they find our system 14 20 is very positive. They find that we have a 15 21 very high level of compliance with the 16 22 environment. They have expressed that they 17 23 find that we've dealt with the whole issue very 18 24 well with implementing environmental standards. 19 25 Generally, it's come out as very positive when 20 21 DEL VECCHIO REPORTING 22 (203) 245-9583 23 90 24 1 it comes to addressing our issues with the 25 2 environment, and they've seen that we've</p>
<p style="text-align: right;">Page 103</p> <p>1 11 integrated or -- 2 12 MS. TSOCHLAS: Yes, that's been integrated 3 13 and that's audited during those audits. We're 4 14 at level four because TMSA is level one, two, 5 15 three, and four, so our environmental level 6 16 system when it comes to the environmental 7 17 element, we're at level four, which is the 8 18 highest level for the oil majors and they are 9 19 always very impressed with the level of 10 20 implementation, and they always scrutinize that 11 21 section because it's where our problem was in 12 22 the past. They're fully aware of our problems 13 23 and of the KRITON incident and our probations, 14 24 so when they come to audit us, they really, 15 25 really look into the environmental part, 16 17 DEL VECCHIO REPORTING 18 (203) 245-9583 19 89 20 1 because that's where we've had issues, and 21 2 they've become very, very impressed with the 22 3 system we have in place, which I'm very proud 23 4 to say. 24 5 MR. WIGGER: Is this environmental 25 6 management plan, as well as your progress note</p>	<p style="text-align: right;">Page 105</p> <p>1 3 changed overall and they can see that we have 2 4 focused on the environment, because that is 3 5 where our problem was, but the changes that 4 6 came about to our culture with environmental 5 7 compliance have also affected and influenced 6 8 positively the other areas of safety culturing 7 9 onboard our vessels as well. So, generally, 8 10 our company has improve its overall 9 11 performance. 10 12 SPECIAL MASTER BUNDY: Thank you. 11 13 The training program is the next thing on 12 14 the agenda. 13 15 MS. TSOCHLAS: The training program -- 14 16 now, that is something that was really, really 15 17 changed. We had very basic -- a very basic 16 18 program in place prior to the probation, a very 17 19 limited program, and probably what most 18 20 shipping companies do actually have in place. 19 21 We have totally restructured that program, 20 22 rebuilt it from the beginning, and it's 21 23 something that does also impress the oil majors 22 24 when they audit us, and the training program 23 25 originally we structured it in order to focus 24 25 DEL VECCHIO REPORTING</p>

<p style="text-align: right;">Page 106</p> <p>1 (203) 245-9583</p> <p>2 91</p> <p>3 1 on the environment, but as I said earlier, it's</p> <p>4 2 affected all the elements of our management</p> <p>5 3 system positively.</p> <p>6 4 Now, the training program provides us with</p> <p>7 5 four parts. We have competency evaluation</p> <p>8 6 prior to joining, pre-joining familiarization</p> <p>9 7 and training while the seafarers are ashore,</p> <p>10 8 onboard training, and then superintendent</p> <p>11 9 onboard training.</p> <p>12 10 Here I've focused on the shipboard</p> <p>13 11 personnel training. We've also had a lot of</p> <p>14 12 training going on with shore-based personnel,</p> <p>15 13 which I didn't really include in this</p> <p>16 14 presentation, I focused more on the shipboard</p> <p>17 15 personnel and training.</p> <p>18 16 Now, competency evaluation that's carried</p> <p>19 17 out prior to joining is focused on assessing</p> <p>20 18 seafarers's competence overall with respect to</p> <p>21 19 their responsibilities, and as you can see, we</p> <p>22 20 have -- it's divided according to rank and</p> <p>23 21 department. So, our senior deck officers are</p> <p>24 22 assessed in their knowledge and competency</p> <p>25 23 regarding cargo handling, control operation,</p>	<p style="text-align: right;">Page 108</p> <p>1 20 we take the environmental training from the</p> <p>2 21 beginning, regardless of what their knowledge</p> <p>3 22 and competency might be, we want to do it from</p> <p>4 23 the beginning to ensure that it's in line on</p> <p>5 24 our standards and our requirements.</p> <p>6 25 Now, the competency results are reviewed</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 93</p> <p>11 1 and assessed and if we identify any areas of</p> <p>12 2 weakness, we provide additional training that's</p> <p>13 3 focused on those areas.</p> <p>14 4 SPECIAL MASTER BUNDY: Do I understand</p> <p>15 5 from what you said before that the competency</p> <p>16 6 evaluation does not include the environmental</p> <p>17 7 issues?</p> <p>18 8 MS. TSOCHLAS: It's not focused on the</p> <p>19 9 environmental issues, it's focused on the</p> <p>20 10 competency and the training of seafarers with</p> <p>21 11 regard to their qualifications, their</p> <p>22 12 certificates, because we don't want to do</p> <p>23 13 retraining overall, of course, so we just focus</p> <p>24 14 on the areas of weakness, but the environmental</p> <p>25 15 training is from scratch with everybody and</p>
<p style="text-align: right;">Page 107</p> <p>1 24 firefighting, GMDS, navigation, and survival.</p> <p>2 25 SPECIAL MASTER BUNDY: What's GMDS?</p> <p>3</p> <p>4 DEL VECCHIO REPORTING</p> <p>5 (203) 245-9583</p> <p>6 92</p> <p>7 1 MS. TSOCHLAS: It's the radio system.</p> <p>8 2 Our junior deck officers are assessed</p> <p>9 3 with, again, cargo handling, control operation,</p> <p>10 4 firefighting, navigation, survival. Our</p> <p>11 5 ratings are also assessed.</p> <p>12 6 With regard to cargo handling, emergency</p> <p>13 7 equipment and procedures, the English language,</p> <p>14 8 safe watch, and steering. While our engine</p> <p>15 9 officers are assessed with regards to control</p> <p>16 10 operation, electrical and electronics,</p> <p>17 11 firefighting, maintenance and repair, marine</p> <p>18 12 engineering and survival. And engine ratings</p> <p>19 13 with regard to boiler watch, emergency</p> <p>20 14 equipment and procedures, English language, and</p> <p>21 15 safe watch. So, all this assessment is to</p> <p>22 16 ensure that our vessels are to be run safely,</p> <p>23 17 which is important to protecting the</p> <p>24 18 environment as well.</p> <p>25 19 When it comes to environmental assessment,</p>	<p style="text-align: right;">Page 109</p> <p>1 16 even with rejoining seafarers, they go through</p> <p>2 17 the whole process every time so we can make</p> <p>3 18 sure that we get any gaps they might have in</p> <p>4 19 their environmental knowledge and we ensure</p> <p>5 20 continuous training and continuous refreshing.</p> <p>6 21 SPECIAL MASTER BUNDY: Okay.</p> <p>7 22 MS. TSOCHLAS: Now, pre-joining</p> <p>8 23 familiarization and training ashore, that's an</p> <p>9 24 extensive program, it takes usually about 10</p> <p>10 25 days and it's a combination of in-house</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 94</p> <p>15 1 training and familiarization and external</p> <p>16 2 training and organizations ashore.</p> <p>17 3 If we click on the attachment for</p> <p>18 4 pre-joining familiarization program, you can</p> <p>19 5 see this is to do with the safety management</p> <p>20 6 system and the environmental management plan,</p> <p>21 7 so you can see we begin with our code of</p> <p>22 8 ethics -- I'll just mention the parts that have</p> <p>23 9 to do with the environment.</p> <p>24 10 On the second day we have our safety and</p> <p>25 11 quality and environmental protection policy.</p>

<p style="text-align: right;">Page 110</p> <p>1 12 Then on the next page, we have ISO 14,001, 2 13 our environmental management plan, and MARPOL. 3 14 So, it is a familiarization with our 4 15 safety management system and our environmental 5 16 management plan. 6 17 During that time, we -- the next 7 18 attachment -- shows the pre-joining 8 19 familiarization and it's in more detail what 9 20 they focus, garbage handling, oil record book, 10 21 part two, on the first page, and then on the 11 22 next page we have oil record book, part one, 12 23 garbage handling, again, by the safety and 13 24 quality control department, environmental 14 25 aspects, impacts, and programs, environmental 15 16 DEL VECCHIO REPORTING 17 (203) 245-9583 18 95 19 1 legislation, the VGP, the environmental 20 2 management plan, the STS plan, and MARPOL 21 3 issues. 22 4 SPECIAL MASTER BUNDY: On these it shows a 23 5 check -- what is that? 24 6 MS. TSOCHLAS: As we go through all of 25 7 these issues, we check -- we check that we've</p>	<p style="text-align: right;">Page 112</p> <p>1 4 this initial training, are the applicants 2 5 actually tested in these? 3 6 MS. TSOCHLAS: Their testing is carried 4 7 out using the C.B.T. titles. They're 5 8 monitored, though, throughout the pre-joining 6 9 familiarization by the trainers, whether 7 10 they're in Greece or the Philippines, and at 8 11 the end, there's an appraisal carried out of 9 12 their performance during the training, and we 10 13 also get feedback from training -- the external 11 14 training organizations. 12 15 MR. CHALOS: Miss Tsochlas, when you say 13 16 C.B.T., you're talking about computer based 14 17 training? 15 18 MS. TSOCHLAS: Yes. 16 19 MR. CHALOS: You do computer based 17 20 training at the initial phase as well? 18 21 MS. TSOCHLAS: We do. 19 22 MR. O'CONNELL: I have a question 20 23 regarding the familiarization, is that a one 21 24 time training? For example, if a seaman's on 22 25 the PLOUTOS, for example, he gets the training 23 24 DEL VECCHIO REPORTING 25 (203) 245-9583</p>
<p style="text-align: right;">Page 111</p> <p>1 8 done them. This checklist is completed for 2 9 each seafarer that goes through the pre-joining 3 10 familiarization program. 4 11 SPECIAL MASTER BUNDY: So, as the seafarer 5 12 takes the class and completes a particular 6 13 course, then that's checked off? 7 14 MS. TSOCHLAS: Exactly. And he might also 8 15 do additional C.B.T. training, that's listed in 9 16 this form. 10 17 The first two pages are for the officers. 11 18 And then we have the next checklist is for the 12 19 ratings. The ratings we deal with them in a 13 20 slightly different way because their level of 14 21 knowledge is more basic. In here I've 15 22 highlighted the issues that I've discussed, the 16 23 environmental policy, our safety environmental 17 24 policy, the environmental responsibilities of 18 25 the individuals, ISO 14,001. And I think 19 20 DEL VECCHIO REPORTING 21 (203) 245-9583 22 96 23 1 that's it on the code of ethics which hasn't 24 2 been highlighted. 25 3 MR. SANBORN: Miss Tsochlas, I guess in</p>	<p style="text-align: right;">Page 113</p> <p>1 97 2 1 before and then he signs off six months later 3 2 and then signs back on, you know, to the 4 3 PLOUTOS or another Ionia vessel, you know, four 5 4 months later, does he get the training again? 6 5 MS. TSOCHLAS: He goes through the whole 7 6 process again. We focus on the training prior 8 7 to joining extensively because it's very 9 8 important and we want to make sure that any 10 9 gaps that -- things we might have missed in the 11 10 first time around, we'll get them the second 12 11 time around or the third time around, and 13 12 there's also -- with the new regulations coming 14 13 in all the time, we're making amendments to our 15 14 plan all the time, so it's important to ensure 16 15 that our seafarers are up to date with all 17 16 these issues. 18 17 MR. O'CONNELL: So, the pre-joining is 19 18 vessel specific, it's not company wide, so you 20 19 just don't do it once? 21 20 MS. TSOCHLAS: No, every seafarer goes 22 21 through pre-joining familiarization and 23 22 training, regardless of whether it's the first 24 23 time with the company or it's the tenth time 25 24 with the company. Every time he will go</p>

<p style="text-align: right;">Page 114</p> <p>1 25 through the same program.</p> <p>2</p> <p>3 DEL VECCHIO REPORTING</p> <p>4 (203) 245-9583</p> <p>5 98</p> <p>6 1 SPECIAL MASTER BUNDY: And regardless of</p> <p>7 2 whether he's signing on to the same ship?</p> <p>8 3 MS. TSOCHLAS: Regardless of whether he's</p> <p>9 4 signing on to the same ship. It makes no</p> <p>10 5 difference where he's going or how many times</p> <p>11 6 he's come back.</p> <p>12 7 SPECIAL MASTER BUNDY: Okay.</p> <p>13 8 MS. TSOCHLAS: And they're happy with that</p> <p>14 9 because they get paid for that period.</p> <p>15 10 SPECIAL MASTER BUNDY: Please continue.</p> <p>16 11 MS. TSOCHLAS: All right. So, if we go to</p> <p>17 12 the next slide. We also have in-house</p> <p>18 13 seminars, that is also a new process that we</p> <p>19 14 have in place that we didn't have originally,</p> <p>20 15 where we have a shipboard environmental</p> <p>21 16 management system seminar, that was the seminar</p> <p>22 17 that was developed by us in liaison with the</p> <p>23 18 training organizations, they provided us with</p> <p>24 19 advice and material so that we could develop</p> <p>25 20 kind of a customized training for our needs</p>	<p style="text-align: right;">Page 116</p> <p>1 17 our seafarers will do some C.B.T. training, and</p> <p>2 18 that's also recorded in the checklist that I</p> <p>3 19 showed you earlier, and there we can evaluate</p> <p>4 20 their performance in that training because</p> <p>5 21 C.B.T. -- each section on C.B.T. is completed</p> <p>6 22 with a test.</p> <p>7 23 SPECIAL MASTER BUNDY: During the</p> <p>8 24 pre-joining familiarization, are the seafarers</p> <p>9 25 evaluated for their competency and do seafarers</p> <p>10</p> <p>11 DEL VECCHIO REPORTING</p> <p>12 (203) 245-9583</p> <p>13 100</p> <p>14 1 washout in this process from time to time?</p> <p>15 2 MS. TSOCHLAS: Well, with the initial</p> <p>16 3 competency evaluation, if they get below</p> <p>17 4 50 percent, we analyze their results, see where</p> <p>18 5 they went wrong, see where they need additional</p> <p>19 6 training, and we provide that additional</p> <p>20 7 training, and then they're re-evaluated.</p> <p>21 8 Throughout the period of the pre-joining</p> <p>22 9 evaluation, they're monitored for their</p> <p>23 10 performance and there have been occasions where</p> <p>24 11 we've decided we can't send the specific</p> <p>25 12 seafarer onboard.</p>
<p style="text-align: right;">Page 115</p> <p>1 21 with regards to the environment.</p> <p>2 22 We have an environmental officer training</p> <p>3 23 course.</p> <p>4 24 Volatile organic compound training</p> <p>5 25 seminar, which has to do with the regulation</p> <p>6</p> <p>7 DEL VECCHIO REPORTING</p> <p>8 (203) 245-9583</p> <p>9 99</p> <p>10 1 that came into effect in 2010, last year, and</p> <p>11 2 our environmental management plan.</p> <p>12 3 If we click on the attachment, we have the</p> <p>13 4 syllabus of those training classes. The</p> <p>14 5 syllabus also includes some things that are not</p> <p>15 6 terribly related to the environment.</p> <p>16 7 I won't go through this one by one.</p> <p>17 8 SPECIAL MASTER BUNDY: I don't think it's</p> <p>18 9 necessary.</p> <p>19 10 MS. TSOCHLAS: And then we have computer</p> <p>20 11 based training units that are installed at both</p> <p>21 12 the manning agent in Manila and in our office</p> <p>22 13 in Greece. They cover a wide range of titles.</p> <p>23 14 Here I've listed in the attachment the titles</p> <p>24 15 that are related to the environment. So,</p> <p>25 16 during the pre-joining familiarization program,</p>	<p style="text-align: right;">Page 117</p> <p>1 13 SPECIAL MASTER BUNDY: And I'm</p> <p>2 14 particularly interested in, I believe, a year</p> <p>3 15 and a half ago or so we had the position of the</p> <p>4 16 chief engineer who was unaware of his</p> <p>5 17 responsibilities and certain recordkeeping</p> <p>6 18 matters, have you taken any steps to ensure</p> <p>7 19 that somebody can't get through your</p> <p>8 20 pre-joining familiarization with a state of</p> <p>9 21 knowledge like that?</p> <p>10 22 MS. TSOCHLAS: We've become -- we're</p> <p>11 23 trying to be more and more careful all the time</p> <p>12 24 with that, but, you know, when you're working</p> <p>13 25 with people, there's always going to be --</p> <p>14</p> <p>15 DEL VECCHIO REPORTING</p> <p>16 (203) 245-9583</p> <p>17 101</p> <p>18 1 because they're people, they're not machines,</p> <p>19 2 and that was a one -- it's the only incident</p> <p>20 3 we've had. We have six vessels, which means 25</p> <p>21 4 people onboard twice a year on those six</p> <p>22 5 vessels and it's the only incident that we've</p> <p>23 6 had with a problem to the competency</p> <p>24 7 evaluation, so I think that we are controlling</p> <p>25 8 the quality of our seafarers quite well. And I</p>

<p style="text-align: right;">Page 118</p> <p>1 9 think Captain Wigger saw, especially with the</p> <p>2 10 chief engineer on the PLOUTOS, she's a very</p> <p>3 11 good chief engineer.</p> <p>4 12 MR. WIGGER: True. Again, the crew</p> <p>5 13 onboard that vessel was very impressive, and,</p> <p>6 14 again, impressive in the sense of knowledge,</p> <p>7 15 their recordkeeping, their commitment, and</p> <p>8 16 everything else.</p> <p>9 17 SPECIAL MASTER BUNDY: Okay.</p> <p>10 18 MS. TSOCHLAS: So, shall we go to the next</p> <p>11 19 slide?</p> <p>12 20 SPECIAL MASTER BUNDY: Yes.</p> <p>13 21 MS. TSOCHLAS: Training is carried out at</p> <p>14 22 external organizations. In MARPOL Annex I, II,</p> <p>15 23 III, IV, V, and VI, in hazmat, which is the</p> <p>16 24 dangerous hazardous and harmful cargoes,</p> <p>17 25 environmental management system, and oil record</p> <p>18</p> <p>19 DEL VECCHIO REPORTING</p> <p>20 (203) 245-9583</p> <p>21 102</p> <p>22 1 book part one recordkeeping.</p> <p>23 2 The attachment has a syllabus from all the</p> <p>24 3 organizations that are used to provide this</p> <p>25 4 training. Again, I don't think I'll go through</p>	<p style="text-align: right;">Page 120</p> <p>1 1 changed here is that we have at least one week</p> <p>2 2 of each month is focused on environmental</p> <p>3 3 training. We've provided additional resources</p> <p>4 4 to enhance that onboard training is carried</p> <p>5 5 out, such as the use of the C.B.T., video,</p> <p>6 6 DVDs, and training material.</p> <p>7 7 Shall we open the attachment?</p> <p>8 8 And you'll see in each month the second</p> <p>9 9 week, usually, at least the second week is</p> <p>10 10 focused on pollution prevention. And we have a</p> <p>11 11 variety of issues that I've discussed.</p> <p>12 12 Now, the completion of training of each</p> <p>13 13 month, a record of that training is submitted</p> <p>14 14 to our company for review. So, we make sure on</p> <p>15 15 a monthly basis that the training is carried</p> <p>16 16 out in compliance with the program and we</p> <p>17 17 review the material that's being used by the</p> <p>18 18 trainer, which is the chief officer, to carry</p> <p>19 19 out that training.</p> <p>20 20 Now, if we go to the next item, the</p> <p>21 21 shipboard drills. Drills are carried out on a</p> <p>22 22 monthly basis, a variety of drills in</p> <p>23 23 accordance with our drill program. We issue</p> <p>24 24 that drill program on a yearly basis, it's</p> <p>25 25 reviewed and improved and enhanced every year</p>
<p style="text-align: right;">Page 119</p> <p>1 5 that.</p> <p>2 6 SPECIAL MASTER BUNDY: No.</p> <p>3 7 I just have one question about that. Are</p> <p>4 8 the training organizations that you use, are</p> <p>5 9 they certified by anyone --</p> <p>6 10 MS. TSOCHLAS: They are all certified,</p> <p>7 11 it's part of our quality system to ensure that</p> <p>8 12 they are certified. And they're very well</p> <p>9 13 known. Far East, I think -- all Philippines</p> <p>10 14 are certified from Far East. Marine as well,</p> <p>11 15 and Marine Training and Safety Consultants is a</p> <p>12 16 Greek company, it's very well-known in Greece.</p> <p>13 17 We use reputable companies.</p> <p>14 18 So, then we'll go onto the next element of</p> <p>15 19 our training program, which is onboard</p> <p>16 20 training.</p> <p>17 21 Originally, we did have onboard training</p> <p>18 22 being carried out, where weekly training</p> <p>19 23 sessions were required to be carried out. We</p> <p>20 24 have continued that program. We issue a</p> <p>21 25 training program every six months. What has</p> <p>22</p> <p>23 DEL VECCHIO REPORTING</p> <p>24 (203) 245-9583</p> <p>25 103</p>	<p style="text-align: right;">Page 121</p> <p>1</p> <p>2 DEL VECCHIO REPORTING</p> <p>3 (203) 245-9583</p> <p>4 104</p> <p>5 1 in accordance with requirements. Every month</p> <p>6 2 we have a pollution prevention drill.</p> <p>7 3 If you go to the bottom of this page, you</p> <p>8 4 can see the oil spills and drills.</p> <p>9 5 The same thing happens here on the</p> <p>10 6 conclusion of each drill, a report is prepared</p> <p>11 7 and is provided to the company, we review it to</p> <p>12 8 make sure that drills are carried out in</p> <p>13 9 accordance with the drill program and we make</p> <p>14 10 sure -- they provide us photographic evidence</p> <p>15 11 of those drills, so that we can be 100 percent</p> <p>16 12 sure that we've done them, and we review the</p> <p>17 13 content of that drill to ensure that it's</p> <p>18 14 adequate.</p> <p>19 15 The next item is we have provided computer</p> <p>20 16 based training units onboard all our vessels.</p> <p>21 17 Each seafarer is required to carry out one</p> <p>22 18 C.B.T. title, at least, per month. If they</p> <p>23 19 want to do more, they can do more. This</p> <p>24 20 procedure also has to do with the installation</p> <p>25 21 of the units onboard and how we issue</p>

<p style="text-align: right;">Page 122</p> <p>1 22 passwords. I don't think we need to go through</p> <p>2 23 the details of this procedure.</p> <p>3 24 Now, if we look at the next attachment, a</p> <p>4 25 matrix. This is recommended. We have allowed</p> <p>5</p> <p>6 DEL VECCHIO REPORTING</p> <p>7 (203) 245-9583</p> <p>8 105</p> <p>9 1 a certain degree of freedom to our seafarers to</p> <p>10 2 choose what interests them most, because we</p> <p>11 3 want them to enjoy the training, we want them</p> <p>12 4 to actually do it.</p> <p>13 5 If you look at the next page, we have the</p> <p>14 6 environmental title. We have engine room waste</p> <p>15 7 management. Sewage and water, waste water</p> <p>16 8 treatment. MARPOL Annex VI, pollution section,</p> <p>17 9 waste and garbage management, preventing</p> <p>18 10 pollution at sea. So, we have a number of</p> <p>19 11 titles to do with the environment, amongst</p> <p>20 12 other titles, and every year we add more</p> <p>21 13 titles.</p> <p>22 14 So, if we go to the next slide, this was</p> <p>23 15 the last phase of our restructuring of our</p> <p>24 16 training program, it's our superintendent</p> <p>25 17 onboard training program. Our superintendent</p>	<p style="text-align: right;">Page 124</p> <p>1 14 superintendent must board the vessel and once a</p> <p>2 15 year a marine superintendent must board the</p> <p>3 16 vessel. In practice, the technical department</p> <p>4 17 will visit the vessel twice a year and the</p> <p>5 18 operating superintendents will visit each</p> <p>6 19 vessel twice a year. So, approximately, four</p> <p>7 20 times a year.</p> <p>8 21 SPECIAL MASTER BUNDY: The superintendent</p> <p>9 22 onboard training is that done every time a</p> <p>10 23 superintendent boards a vessel or once per</p> <p>11 24 year?</p> <p>12 25 MS. TSOCHLAS: Training is usually carried</p> <p>13</p> <p>14 DEL VECCHIO REPORTING</p> <p>15 (203) 245-9583</p> <p>16 107</p> <p>17 1 out once per year, but when they board for this</p> <p>18 2 procedure, it's solely focused on training,</p> <p>19 3 they don't do anything else, and that's once</p> <p>20 4 per year.</p> <p>21 5 SPECIAL MASTER BUNDY: And is that in</p> <p>22 6 addition to their other boarding?</p> <p>23 7 MS. TSOCHLAS: Yes. And it's usually</p> <p>24 8 marine superintendents who do this. The</p> <p>25 9 technical superintendents have also done it,</p>
<p style="text-align: right;">Page 123</p> <p>1 18 will ride with the vessel once per year to</p> <p>2 19 implement specifically for training purposes</p> <p>3 20 and they implement an onboard training program</p> <p>4 21 that's been prepared by my department, it's</p> <p>5 22 prepared based on the vessel's performance,</p> <p>6 23 previous audit and inspection results, last</p> <p>7 24 attendance report, any accident, incident, or</p> <p>8 25 injuries or near miss reports, either on a</p> <p>9</p> <p>10 DEL VECCHIO REPORTING</p> <p>11 (203) 245-9583</p> <p>12 106</p> <p>13 1 specific vessel or any other vessel in the</p> <p>14 2 fleet. Management and Master's reviews,</p> <p>15 3 previous shipboard training reports, and</p> <p>16 4 appraisal reports. This is an overall training</p> <p>17 5 program, it includes elements of the</p> <p>18 6 environment, but it also includes safety as</p> <p>19 7 well.</p> <p>20 8 SPECIAL MASTER BUNDY: How often do the</p> <p>21 9 superintendents actually board the vessel and</p> <p>22 10 ride them?</p> <p>23 11 MS. TSOCHLAS: At least twice per year.</p> <p>24 12 It's usually more than that. Our procedures</p> <p>25 13 require at least one per year the technical</p>	<p style="text-align: right;">Page 125</p> <p>1 10 they're also involved with the procedure, but</p> <p>2 11 when it's focused entirely on training, it's</p> <p>3 12 usually the marine superintendents.</p> <p>4 13 If we go to the next slide, we can click</p> <p>5 14 on the attachment. In here we have a procedure</p> <p>6 15 and the next third and fourth page show the</p> <p>7 16 report that's produced, that's completed,</p> <p>8 17 following the onboard training attendance. And</p> <p>9 18 this is one of the procedures that very few</p> <p>10 19 other shipping companies have.</p> <p>11 20 MR. SANBORN: May I ask a question?</p> <p>12 21 SPECIAL MASTER BUNDY: Mr. Sanborn.</p> <p>13 22 MR. SANBORN: Miss Tsochlas, I noted in</p> <p>14 23 the material on the computer based training you</p> <p>15 24 also have a system to capture the results that,</p> <p>16 25 I guess, the chief officer slash training</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 108</p> <p>21 1 officer submits data based on what he's</p> <p>22 2 extracted from the sessions that individual</p> <p>23 3 crew members have made and that goes into</p> <p>24 4 Videotel's big machine in the sky, or what have</p> <p>25 5 you, that tracks all of the training. Does</p>

<p style="text-align: right;">Page 126</p> <p>1 6 that -- that gives you a record over time, as I</p> <p>2 7 understand it, of what courses they've taken,</p> <p>3 8 how they've done, and so forth. Does the same</p> <p>4 9 type of information get entered into that</p> <p>5 10 system from your supervisor's training?</p> <p>6 11 MS. TSOCHLAS: The software that Videotel</p> <p>7 12 has provided us, which was originally developed</p> <p>8 13 by Video Tell to facilitate the C.B.T., but</p> <p>9 14 they've expanded that and it's actually a very,</p> <p>10 15 very user friendly and it's been very useful to</p> <p>11 16 us, it's web based, and it allows us to record</p> <p>12 17 not just C.B.T. training, it allows the vessels</p> <p>13 18 to record the videos they've watched, the DVDs</p> <p>14 19 they're carried, and the onboard drills they've</p> <p>15 20 carried out, and it allows us to enter our</p> <p>16 21 superintendent training records into that</p> <p>17 22 database and it also allows us to make a</p> <p>18 23 schedule. Often when a superintendent goes</p> <p>19 24 onboard for attendance, he'll see some areas of</p> <p>20 25 weakness and he'll leave a schedule for the</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 109</p> <p>25 1 vessel to carryout training. So, for the next</p>	<p style="text-align: right;">Page 128</p> <p>1 DEL VECCHIO REPORTING</p> <p>2 (203) 245-9583</p> <p>3 110</p> <p>4 1 informative and they're very well set out and</p> <p>5 2 very easy to understand.</p> <p>6 3 SPECIAL MASTER BUNDY: Do they also</p> <p>7 4 require a certain percentage of correct answers</p> <p>8 5 in order to certify that the person has</p> <p>9 6 completed the program?</p> <p>10 7 MS. TSOCHLAS: Yes.</p> <p>11 8 SPECIAL MASTER BUNDY: So, the person can</p> <p>12 9 keep working until the seafarer actually</p> <p>13 10 reaches a level that is a pass level.</p> <p>14 11 MS. TSOCHLAS: Yes. The way it is set up,</p> <p>15 12 it starts off with there's a video that the</p> <p>16 13 seafarer watches, then there's reading material</p> <p>17 14 that he goes through, then there's a tutorial,</p> <p>18 15 then there's questions, which he answers,</p> <p>19 16 multiple choice, so it tells him what he's done</p> <p>20 17 wrong, so if he gets a wrong answer, it will</p> <p>21 18 take him to the correct answer and it will</p> <p>22 19 explain why that is the correct answer. And</p> <p>23 20 then to complete the C.B.T. there's a test,</p> <p>24 21 which is also multiple choice, and we review</p> <p>25 22 the results of the seafarer. So, if following</p>
<p style="text-align: right;">Page 127</p> <p>1 2 month on day one you'll do calibration of gas</p> <p>2 3 monitoring equipment, and on day two you'll</p> <p>3 4 do -- that allows us to make a schedule and it</p> <p>4 5 pops up to the chief officer, who is the</p> <p>5 6 training officer, and reminds him each day that</p> <p>6 7 this training must be carried out. So, it's --</p> <p>7 8 although it was originally developed by</p> <p>8 9 Videotel to be used just for the C.B.T.,</p> <p>9 10 they're expanded it and we use it for our</p> <p>10 11 overall management's of the training records.</p> <p>11 12 MR. SANBORN: One last question. Have you</p> <p>12 13 had feedback from your sea going personnel as</p> <p>13 14 to whether this is overwhelming, underwhelming,</p> <p>14 15 or they love it?</p> <p>15 16 MS. TSOCHLAS: Generally, especially the</p> <p>16 17 Filipino's seafarers, they love the C.B.T., and</p> <p>17 18 the junior officers who are younger and more</p> <p>18 19 familiar with the use of computers, they enjoy</p> <p>19 20 it.</p> <p>20 21 MR. SANBORN: Thank you.</p> <p>21 22 MS. TSOCHLAS: And, actually, the</p> <p>22 23 material, I use it a lot as well. If I want to</p> <p>23 24 develop a procedure, I'll go and do a C.B.T. on</p> <p>24 25 the specific procedure. They're very</p> <p>25</p>	<p style="text-align: right;">Page 129</p> <p>1 23 the test he gets below pass level, he has to</p> <p>2 24 redo the C.B.T. But, generally, because it is</p> <p>3 25 very communicative, it is well set up. I think</p> <p>4</p> <p>5 DEL VECCHIO REPORTING</p> <p>6 (203) 245-9583</p> <p>7 111</p> <p>8 1 it's difficult for a seafarer to fail.</p> <p>9 2 We move on to the new procedure we have in</p> <p>10 3 place, it's in accordance with TMSA</p> <p>11 4 requirements. We recently started implementing</p> <p>12 5 it in June of this year and it's in our effort</p> <p>13 6 to communicate senior management's commitment</p> <p>14 7 to our safety and environmental culture right</p> <p>15 8 down to the lowest level of personnel. So, we</p> <p>16 9 at least once every quarter, a member of senior</p> <p>17 10 management will attend a vessel in order to</p> <p>18 11 promote the company's safety and environmental</p> <p>19 12 culture. He meets with shipboard personnel in</p> <p>20 13 order to discuss the vessel's performance and</p> <p>21 14 safety and environmental standard. He promotes</p> <p>22 15 the culture through -- he or she -- through</p> <p>23 16 discussions regarding the company's code of</p> <p>24 17 ethics and standards, the company's policies,</p> <p>25 18 the company's overall -- and the company's</p>

<p style="text-align: right;">Page 130</p> <p>1 19 overall performance regarding safety and 2 20 environment. 3 21 So, if we click on attachment 33, we have 4 22 the procedure. 5 23 SPECIAL MASTER BUNDY: Who is included in 6 24 the senior management? 7 25 MS. TSOCHLAS: It's all the heads of 8 9 DEL VECCHIO REPORTING 10 (203) 245-9583 11 112 12 1 departments that are operationally involved. 13 2 The technical manager, the crew manager, the 14 3 operations manager, the safety and quality 15 4 manager, and the managing director aboard the 16 5 vessels. 17 6 That's the procedure. And in the next 18 7 attachment is an example of that report. This 19 8 was actually completed by Mr. Karagiorgis in 20 9 August when just before Captain Wigger boarded 21 10 the vessel. It's not entirely focused on the 22 11 environment, it has all the elements of the 23 12 co-management system, but you can see it's very 24 13 transparent. There's positive and negative 25 14 feedback. I think that's one of the most</p>	<p style="text-align: right;">Page 132</p> <p>1 11 it. 2 12 We will break until one o'clock. 3 13 (Whereupon, the luncheon recess 4 14 was held until 1:00 p.m.) 5 15 SPECIAL MASTER BUNDY: Please, Miss 6 16 Tsochlas, go ahead with the slide number six, 7 17 topic number six. 8 18 MS. TSOCHLAS: Item number six of the 9 19 agenda is regarding the implementation of the 10 20 requirements of the minimum engineering risk 11 21 mitigation measures. And here we'll also have 12 22 an analysis of the findings made by Captain 13 23 Wigger during the onboard audits. 14 24 Now, the first thing I have here is a list 15 25 of those -- a summary of those measures as to 16 17 DEL VECCHIO REPORTING 18 (203) 245-9583 19 114 20 1 the scope of work. 21 2 We are required to implement an 22 3 environmental tag system. Numbered seals 23 4 should be installed to prevent unauthorized 24 5 opening through any hull connection. The seals 25 6 will be installed to prevent unauthorized</p>
<p style="text-align: right;">Page 131</p> <p>1 15 important changes that has taken place over the 2 16 last four years with our company, we have 3 17 become a very transparent company. 4 18 Are there any questions? 5 19 SPECIAL MASTER BUNDY: It might be a good 6 20 idea -- it's now about quarter to 12, if we 7 21 broke for lunch and be back here at one, then 8 22 we can take up the minimum engineering risk 9 23 mitigation measures, part of it which is a lot 10 24 more specific engineering issues, and, perhaps, 11 25 then, Mr. O'Connell, we can go through some of 12 13 DEL VECCHIO REPORTING 14 (203) 245-9583 15 113 16 1 your questions with regard to the spreadsheet 17 2 vetting or audit issues. 18 3 MR. O'CONNELL: Okay. 19 4 SPECIAL MASTER BUNDY: Any other things 20 5 that we think we should be sure and cover? 21 6 And if I could ask in the break -- perhaps 22 7 Mr. Karagiorgis or somebody else, if you could 23 8 find in the area which talks about what 24 9 documents are sent by the vessels every month, 25 10 so my report I'll be able to compare those to</p>	<p style="text-align: right;">Page 133</p> <p>1 7 opening of any through hull connection. 2 8 They'll be nonreusable and uniquely numbered. 3 9 We'll have a seal logbook maintained onboard to 4 10 record whenever a seal is affixed or removed, 5 11 including the date, time, the seal number 6 12 removed, the seal number affixed, and the 7 13 personnel involved, and the reason for the 8 14 change. Spare seals shall be maintained by the 9 15 Master at a secure location. 10 16 In yellow is the requirement from the 11 17 scope of work. In white font is what we've 12 18 done to implement that requirement. So, we 13 19 have a procedure in place requiring that 14 20 nonreusable unique identified seals are placed 15 21 on all flanges on the engine room, sludge 16 22 lines, bilge lines, sewage and gray water, 17 23 overboard lines, and boiler down lines as per 18 24 ship specific guidelines which are prepared by 19 25 the company's technical department. So, we 20 21 DEL VECCHIO REPORTING 22 (203) 245-9583 23 115 24 1 give them a diagram showing where seals should 25 2 be installed on the vessel. And we have a</p>

<p style="text-align: right;">Page 134</p> <p>1 3 bound seal book that's maintained in accordance</p> <p>2 4 with the requirements and the Master maintains</p> <p>3 5 an inventory of spare seals onboard, which</p> <p>4 6 those seals are under his control.</p> <p>5 7 The procedure has been incorporated into</p> <p>6 8 our environmental management plan. The first</p> <p>7 9 attachment shows a sample of the engine room</p> <p>8 10 seal logbook with directions and the form</p> <p>9 11 that's completed. The second attachment is an</p> <p>10 12 example of the spare seal logbook. The logbook</p> <p>11 13 that's used to record the inventory of spare</p> <p>12 14 seals available onboard. And the third</p> <p>13 15 attachment is the procedure that's in place.</p> <p>14 16 So, if we move to the next slide. Bilge</p> <p>15 17 main cross connections, the deck plates near</p> <p>16 18 the cross connections and the valve bodies</p> <p>17 19 should be painted in orange and a brightly</p> <p>18 20 colored sign with three inch letters must be</p> <p>19 21 permanently fixed warning it's a bilge system</p> <p>20 22 piping crossover and for emergency use only,</p> <p>21 23 and seals will be placed on the system.</p> <p>22 24 Now, we have instructions that have been</p> <p>23 25 included in the environmental management plan,</p> <p>24</p> <p>25 DEL VECCHIO REPORTING</p>	<p style="text-align: right;">Page 136</p> <p>1 24 and all such blank flanges are provided on the</p> <p>2 25 drawing that's been provided to the vessel with</p> <p>3</p> <p>4 DEL VECCHIO REPORTING</p> <p>5 (203) 245-9583</p> <p>6 117</p> <p>7 1 the seal logbook.</p> <p>8 2 Shall we go to the next slide? We have a</p> <p>9 3 requirement that we have to bilge something has</p> <p>10 4 to be carried out in the presence of the IEC</p> <p>11 5 during his onboard orders. Those samples must</p> <p>12 6 be sent to a laboratory for analysis and then</p> <p>13 7 the analysis report must be sent to the makers</p> <p>14 8 of the oily water separator and the oil content</p> <p>15 9 meter in order to verify that they do not</p> <p>16 10 influence the capability of the two systems to</p> <p>17 11 process fluids having this content. The</p> <p>18 12 procedure has been incorporated into our manual</p> <p>19 13 in accordance with the requirements of the</p> <p>20 14 scope of work.</p> <p>21 15 Attachment 44 is an example of an analysis</p> <p>22 16 report received from the laboratory that</p> <p>23 17 carried out the analysis. Each page is for a</p> <p>24 18 different sample from within the vessel. The</p> <p>25 19 laboratory analyzes the content of the fluids</p>
<p style="text-align: right;">Page 135</p> <p>1 (203) 245-9583</p> <p>2 116</p> <p>3 1 attachment 38 shows a picture of the sign near</p> <p>4 2 the bilge system piping crossover, and the next</p> <p>5 3 picture showing that they've been painted</p> <p>6 4 international orange. It's from one of the</p> <p>7 5 vessels that is covered by the terms of</p> <p>8 6 probation.</p> <p>9 7 The next attachment shows the requirements</p> <p>10 8 that's been incorporated into the environmental</p> <p>11 9 management plan.</p> <p>12 10 So, shall we go to the next slide? All</p> <p>13 11 emergency bilge sections shall also be painted</p> <p>14 12 brightly and labeled for emergency use only and</p> <p>15 13 seals will be placed on them. We have a</p> <p>16 14 photograph of one of the examples from one of</p> <p>17 15 our vessels in attachment 40, and 41 is the</p> <p>18 16 procedure that's been incorporated into the</p> <p>19 17 environmental management plan. So, that</p> <p>20 18 measure and scope of work has been properly</p> <p>21 19 implemented onboard.</p> <p>22 20 All blank flanges that are potentially</p> <p>23 21 removable associated with any piping leading</p> <p>24 22 overboard must have seals. So, we've included</p> <p>25 23 this seal in our environmental management plan</p>	<p style="text-align: right;">Page 137</p> <p>1 20 that are taken in those samples and then we</p> <p>2 21 send this analysis to the makers. As you can</p> <p>3 22 see in attachment 45, we have feedback from the</p> <p>4 23 oil content meter maker, and Spanmarin, and</p> <p>5 24 from the maker of the oily water separator</p> <p>6 25 concerning that the bilge waters do not affect</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 118</p> <p>11 1 the operation and condition of our systems.</p> <p>12 2 So, if we move to the next slide, this is</p> <p>13 3 a list of additional oily water separator and</p> <p>14 4 oil content meter requirements. The entire</p> <p>15 5 length of the sample line from the oily water</p> <p>16 6 separator discharge connection to the sample</p> <p>17 7 flush line control valve must be painted a</p> <p>18 8 bright color. We included this requirement in</p> <p>19 9 the relevant procedure in our environmental</p> <p>20 10 management plan. The end connecting to the oil</p> <p>21 11 water separator discharge pipe must be fitted</p> <p>22 12 with a manual valve or a tamperproof automatic</p> <p>23 13 valve, this is included in the logbooks of the</p> <p>24 14 system. Seals must be placed on the tube end</p> <p>25 15 fittings and the valve handle. This has been</p>

<p style="text-align: right;">Page 138</p> <p>1 16 done with the use of the lockbox. Monthly</p> <p>2 17 operational tests of the oily water separator</p> <p>3 18 and the oil content meter are to be carried out</p> <p>4 19 and recorded in the oil record book. The</p> <p>5 20 requirements are an annual procedure of the</p> <p>6 21 environmental management plan. The oil content</p> <p>7 22 meter will be re-calibrated at least annually</p> <p>8 23 by an external and authorized technician.</p> <p>9 24 That's also been included in the requirements</p> <p>10 25 of the environmental management plan. And the</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 119</p> <p>15 1 oily water separator source pipe, the bilge</p> <p>16 2 holding tank, shall be cleaned at least every</p> <p>17 3 six months.</p> <p>18 4 This has been included in the requirements</p> <p>19 5 of the environmental management plan.</p> <p>20 6 And if we open up attachment 46, all of</p> <p>21 7 those requirements have been included in this</p> <p>22 8 procedure that's been highlighted.</p> <p>23 9 SPECIAL MASTER BUNDY: Wasn't there some</p> <p>24 10 difficulty with the import testing on some of</p> <p>25 11 the vessels?</p>	<p style="text-align: right;">Page 140</p> <p>1 8 MR. O'CONNELL: And when did that occur?</p> <p>2 9 MS. TSOCHLAS: Immediately following the</p> <p>3 10 order where it was identified.</p> <p>4 11 MR. CHALOS: You're looking for a year?</p> <p>5 12 MR. O'CONNELL: I'm looking for a year.</p> <p>6 13 MS. TSOCHLAS: It was identified -- when</p> <p>7 14 did you do the order?</p> <p>8 15 MR. KARAGIORGIS: In May.</p> <p>9 16 MS. TSOCHLAS: It was corrected within</p> <p>10 17 June.</p> <p>11 18 MR. CHALOS: And that was approved?</p> <p>12 19 MR. KARAGIORGIS: That does not require</p> <p>13 20 approval because it's --</p> <p>14 21 SPECIAL MASTER BUNDY: Because it's a</p> <p>15 22 what?</p> <p>16 23 MS. TSOCHLAS: It's a minor modification.</p> <p>17 24 MR. O'CONNELL: That was an original</p> <p>18 25 requirement in the scope of work documents, is</p> <p>19</p> <p>20 DEL VECCHIO REPORTING</p> <p>21 (203) 245-9583</p> <p>22 121</p> <p>23 1 that correct?</p> <p>24 2 MS. TSOCHLAS: The ability to carry out a</p> <p>25 3 full water test in the oily water separator.</p>
<p style="text-align: right;">Page 139</p> <p>1 12 MS. TSOCHLAS: On the ESTIA, and that's</p> <p>2 13 been corrected, that's been resolved.</p> <p>3 14 SPECIAL MASTER BUNDY: All right.</p> <p>4 15 MR. O'CONNELL: What was the problem with</p> <p>5 16 the ESTIA?</p> <p>6 17 MS. TSOCHLAS: We weren't able to carry</p> <p>7 18 out a full operational test import, so we had</p> <p>8 19 to make a minor modification to the system in</p> <p>9 20 order for that to be achieved.</p> <p>10 21 MR. O'CONNELL: What was the problem with</p> <p>11 22 the import testing?</p> <p>12 23 MS. TSOCHLAS: Mr. Karagiorgis will be</p> <p>13 24 able to tell you better.</p> <p>14 25 MR. KARAGIORGIS: From the system it was</p> <p>15</p> <p>16 DEL VECCHIO REPORTING</p> <p>17 (203) 245-9583</p> <p>18 120</p> <p>19 1 missing the pipe that connected the overboard</p> <p>20 2 line with a return line to bilge oil tank.</p> <p>21 3 This is the only thing that missed from the</p> <p>22 4 total -- from the design of the oil water</p> <p>23 5 separator. The system on PLOUTOS had already</p> <p>24 6 this design and we did the notification, we</p> <p>25 7 order one pipe, and one valve, that's all.</p>	<p style="text-align: right;">Page 141</p> <p>1 4 SPECIAL MASTER BUNDY: The ESTIA came --</p> <p>2 5 the application was made for the ESTIA to be a</p> <p>3 6 covered vessel --</p> <p>4 7 MS. TSOCHLAS: In March of -- I was</p> <p>5 8 getting ready to have my baby, it was February</p> <p>6 9 of 2011.</p> <p>7 10 SPECIAL MASTER BUNDY: Okay.</p> <p>8 11 MS. TSOCHLAS: It was the 3rd of March.</p> <p>9 12 SPECIAL MASTER BUNDY: You remember it</p> <p>10 13 well?</p> <p>11 14 MS. TSOCHLAS: Yes, it was the night</p> <p>12 15 before.</p> <p>13 16 SPECIAL MASTER BUNDY: Please continue.</p> <p>14 17 MS. TSOCHLAS: So, the next requirement is</p> <p>15 18 regarding recordkeeping.</p> <p>16 19 All soundings and logs required by the</p> <p>17 20 vessel shall be retained onboard the vessel for</p> <p>18 21 a period of three years from the final entry.</p> <p>19 22 We have included the retention period in our</p> <p>20 23 environmental management plan.</p> <p>21 24 You can see in this matrix which regards</p> <p>22 25 the maintenance of our documentation, the</p> <p>23</p> <p>24 DEL VECCHIO REPORTING</p> <p>25 (203) 245-9583</p>

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1	122	1	21 environmental management plan.
2	1 retention period, the column for retention	2	22 Shall we go to the next slide?
3	2 period is three years.	3	23 The next requirement is regarding fuel
4	3 If we go to the next slide, this regards	4	24 oil/lube oil purifier setting and line breaks.
5	4 oil record book entries, entries made into the	5	25 Standard system for monitoring fuel oil and
6	5 oil record book part one must be made by the	6	
7	6 chief engineer and each page must be signed by	7	DEL VECCHIO REPORTING
8	7 the chief engineer and the Master.	8	(203) 245-9583
9	8 So, we have a copy from one of the oil	9	124
10	9 record books that shows that each entry is made	10	1 lube oil management, including the waste
11	10 by the chief engineer. You can see his name at	11	2 produced by operations in the purifiers must be
12	11 the bottom of each entry, and the bottom of	12	3 developed. Any extraordinary operations such
13	12 each page is signed by the chief engineer and	13	4 as the need for frequent draining of fuel oil
14	13 the Master.	14	5 service and settling tanks and engine lube oil
15	14 SPECIAL MASTER BUNDY: This is part of the	15	6 sump tanks of excessive water or other problems
16	15 documentation that comes every month?	16	7 such as waxing, compatibility, stratification,
17	16 MS. TSOCHLAS: Yes, it is.	17	8 or contamination shall be provided for the
18	17 And the next attachment, 49, shows the	18	9 handling of unburned sludges and waste
19	18 guidelines that are provided to our chief	19	10 management. Any unintended release of fluid in
20	19 engineers onboard regarding the requirement.	20	11 the engine room shall be reported and an
21	20 SPECIAL MASTER BUNDY: This procedure, how	21	12 explanation as to how it should be handled, and
22	21 long have you had this specific procedure in	22	13 we discussed this process at the beginning of
23	22 environmental management.	23	14 the presentation, and we have this requirement
24	23 MS. TSOCHLAS: Regarding the	24	15 in the environmental management plan. The
25	24 implementation of oil record entry?	25	16 vessels maintain a logbook in order to record
Page 143		Page 145	
1	25 SPECIAL MASTER BUNDY: Yes.	1	17 all such issues.
2		2	18 And, here, again, we have the attachment
3	DEL VECCHIO REPORTING	3	19 that indicates the same -- the procedure.
4	(203) 245-9583	4	20 The next item is regarding oil to sea
5	123	5	21 interfaces. We also discussed that at the
6	1 MS. TSOCHLAS: Since the implementation of	6	22 beginning of the presentation. There must be a
7	2 the revised environmental management plan.	7	23 system in order to monitor equipment having oil
8	3 Since July of 2009.	8	24 to sea interfaces, we have a procedure in place
9	4 SPECIAL MASTER BUNDY: Have you made any	9	25 that's been incorporated in our environmental
10	5 significant changes to this as a result of the	10	
11	6 audits?	11	DEL VECCHIO REPORTING
12	7 MS. TSOCHLAS: More of the changes have	12	(203) 245-9583
13	8 been made as a result of the change to	13	125
14	9 regulations.	14	1 management plan. As I said earlier as well,
15	10 SPECIAL MASTER BUNDY: And that would	15	2 the only system that we have onboard our
16	11 include the recent --	16	3 vessels that have oil to sea interface is the
17	12 MS. TSOCHLAS: Yes, they do. That's why	17	4 stern tube. And here the attachment, again,
18	13 the revision you'll see in the header is the	18	5 shows the procedure.
19	14 30th of September.	19	6 The next slide regarding the fleet
20	15 So, the next requirement regards a tank	20	7 engineering study. We have to have a system in
21	16 sounding record book. Sounding of all waste,	21	8 place where all shipboard engineers will
22	17 sludge, and bilge shall be carried out on a	22	9 provide information and ideas as to how to make
23	18 daily basis, and the tank sounding book should	23	10 the oily separator or oil content meter
24	19 be initialed by the person who has obtained the	24	11 regarding Waste Management processes
25	20 reading. The instructions are included in the	25	12 tamperproof and give ideas on methods of

<p style="text-align: right;">Page 146</p> <p>1 13 reducing or handling waste accumulations within 2 14 engine rooms, machinery spaces, or pump rooms. 3 15 Now, we have a procedure in place for the 4 16 fleet engineering survey, we've discussed it 5 17 extensively throughout the hearings, we have 6 18 begun originally with one format, which was 7 19 extensively revised based on suggestions made 8 20 by Captain Wigger and by the Coast Guard. A 9 21 fleet engineering survey is required to be 10 22 completed by all engine officers within three 11 23 months of their signing onto a company vessel. 12 24 Those surveys -- those completed surveys are 13 25 committed to the CCM for review and any 14 15 DEL VECCHIO REPORTING 16 (203) 245-9583 17 126 18 1 constructive feedback that is provided by our 19 2 seafarers is assessed for implementation. 20 3 SPECIAL MASTER BUNDY: Have you come up 21 4 with anything? 22 5 MS. TSOCHLAS: We haven't really come up 23 6 with anything constructive. 24 7 SPECIAL MASTER BUNDY: It seemed like a 25 8 nice idea at the time.</p>	<p style="text-align: right;">Page 148</p> <p>1 5 over the period of probation. 2 6 SPECIAL MASTER BUNDY: So, this includes 3 7 all of the ones that you put out before on the 4 8 IEC audits, including the recordkeeping audits? 5 9 MS. TSOCHLAS: Some of them were 6 10 overlapping, some you'll see a second time. 7 11 SPECIAL MASTER BUNDY: All of them, no 8 12 matter what they are, should be in this 9 13 section, we wouldn't have to go back to the 10 14 other one? 11 15 MS. TSOCHLAS: Not necessarily, because 12 16 there were a number of recommendations that 13 17 were -- for example, the implementation of a 14 18 separate environmental management plan, that's 15 19 not a requirement from the scope of work, but 16 20 it was a recommendation to improve our 17 21 performance. So, it's not necessary, but all 18 22 of the recommendations have been included. 19 23 SPECIAL MASTER BUNDY: So, what we've got 20 24 here are the ones that are just -- 21 25 MS. TSOCHLAS: Directly related. 22 23 DEL VECCHIO REPORTING 24 (203) 245-9583 25 128</p>
<p style="text-align: right;">Page 147</p> <p>1 9 MS. TSOCHLAS: It did, but, you know, 2 10 engineers aren't very creative. 3 11 And the attachment has the procedure and 4 12 the form that is required to be completed. A 5 13 lot of work went into updating this form over 6 14 the years. 7 15 So, if we go to the next slide -- those 8 16 are all the requirements as per the scope of 9 17 work regarding minimum risk mitigation 10 18 measures. We're in full compliance with all of 11 19 those requirements as has been observed by 12 20 Captain Wigger onboard our vessels, especially 13 21 in the final audit. 14 22 If we go to the next slide, we have a 15 23 summary of the findings reported by Captain 16 24 Wigger during the onboard audits on our 17 25 vessels. 18 19 DEL VECCHIO REPORTING 20 (203) 245-9583 21 127 22 1 MR. CHALOS: This is all the audits? 23 2 MS. TSOCHLAS: As I said before, this is 24 3 from all of the audits that have been carried 25 4 out, the initial, ongoing, and the final audit</p>	<p style="text-align: right;">Page 149</p> <p>1 1 SPECIAL MASTER BUNDY: To the scope of 2 2 work and the nonconformities as to the scope of 3 3 work that were then dealt with. 4 4 MS. TSOCHLAS: Yes. So, as summarized, 5 5 inadequate maintenance of the seal book, 6 6 operational vesting of the oil water separator 7 7 was not in accordance to the requirement. 8 8 Discrepancies between the manual tank soundings 9 9 and the SWOMS data. There was no written 10 10 requirements regarding fleet engineering 11 11 surveys. These were all from the initial audit 12 12 onboard the THEO T in 2008, which resulted in 13 13 the development of the environmental management 14 14 plan. Discrepancies in the ship specific 15 15 drawings indicating the location of seals. 16 16 Incorrect coloring of the oily water separator 17 17 discharge sampling line and flushing line. 18 18 Revisions to the tank sounding log were 19 19 recommended. Testing of the ODME was not 20 20 recorded in the oil record book part two. The 21 21 implementation of the revised fleet engineering 22 22 survey form. Incorrect coloring and signage of 23 23 the bilge suction and bilge crossover valves. 24 24 Inadequate recordkeeping of tank sounding 25 25 logbook and the oil record book. Seals were</p>

<p style="text-align: right;">Page 150</p> <p>1 2 DEL VECCHIO REPORTING 3 (203) 245-9583 4 129 5 1 not placed on oil discharge flanges. Seals 6 2 were not placed on steam lines of high and low 7 3 steam chests. And some of these seals that 8 4 were placed in systems were due to a difference 9 5 in interpretation of the requirements. Our 10 6 technical department carried out an assessment 11 7 of the situation onboard and decided which 12 8 lines were supposed to have seals on them 13 9 because they were at risk of being able to use 14 10 to discharge overboard, and one of the auditors 15 11 considered that additional seals had to be 16 12 placed on other systems. Sample bottles for 17 13 sampling bilge water were not available onboard 18 14 at the time of the audit. Seals were not 19 15 placed on the discharge side of the oily water 20 16 separator. The SWOMS was unable to transmit 21 17 automatically. Operation of the oily water 22 18 separator was at a rate above that of its 23 19 declared capacity. Various discrepancies in 24 20 the seal logbook. The tank sounding logbook 25 21 was not maintained in the ECR. The chief</p>	<p style="text-align: right;">Page 152</p> <p>1 18 Was that a recordkeeping problem or was an 2 19 actual problem that it wasn't being tested? 3 20 MS. TSOCHLAS: It was a problem with the 4 21 method of it being tested. 5 22 The shipboard personnel were carrying out 6 23 the test of the oily water separator and the 7 24 oil content meter, but it was not in complete 8 25 compliance with our guide, with the fluid that 9 10 DEL VECCHIO REPORTING 11 (203) 245-9583 12 131 13 1 we have available onboard to test the oily 14 2 water separator and oil content meter. That is 15 3 one element of the recommendation. There was 16 4 another element as well regarding the review of 17 5 the memory card. 18 6 MR. CHALOS: Were those observations dealt 19 7 with? 20 8 MS. TSOCHLAS: Yes, all of the 21 9 observations that have been made by Captain 22 10 Wigger have been closed out. 23 11 SPECIAL MASTER BUNDY: I noticed this 24 12 spreadsheet, you just have the observation and 25 13 the response, and not the correction and</p>
<p style="text-align: right;">Page 151</p> <p>1 22 engineer was keeping it in his office. 2 23 And if we go to the next slide, we have 3 24 the spreadsheet of all of those items and our 4 25 response to Captain Wigger of how we resolved 5 6 DEL VECCHIO REPORTING 7 (203) 245-9583 8 130 9 1 the issues. 10 2 SPECIAL MASTER BUNDY: This would probably 11 3 be a good time, Mr. O'Connell, for you to go 12 4 into any questions you have on these audits and 13 5 the response to the audits. 14 6 MR. O'CONNELL: Number 20 regarding the 15 7 THEO T. 16 8 MS. TSOCHLAS: So, you're looking at the 17 9 last spreadsheet? 18 10 MR. O'CONNELL: Yes, ma'am. I'm sorry. 19 11 MS. TSOCHLAS: Number 20. 20 12 MR. O'CONNELL: This has to do with 21 13 testing of the OWS. 22 14 MS. TSOCHLAS: Yes. 23 15 MR. O'CONNELL: It said there is no 24 16 indication that the OWS and the OCM are being 25 17 operationally tested.</p>	<p style="text-align: right;">Page 153</p> <p>1 14 prevention? 2 15 MS. TSOCHLAS: Yes. That was so that it 3 16 could be in line with exactly what we've said 4 17 with Captain Wigger. We have our own database 5 18 that has the actions, but it's kind of more 6 19 summarized, whereas the response to Captain 7 20 Wigger provided a more detailed explanation. 8 21 SPECIAL MASTER BUNDY: So, I take it if 9 22 you would be asked -- well, it said that -- in 10 23 the response it said that instructions shall be 11 24 provided to the vessels in order to ensure that 12 25 the testing fluid was used, et cetera, that 13 14 DEL VECCHIO REPORTING 15 (203) 245-9583 16 132 17 1 that was done and that was documented in your 18 2 own internal records? 19 3 MS. TSOCHLAS: Yes. 20 4 SPECIAL MASTER BUNDY: Mr. O'Connell? 21 5 MR. O'CONNELL: Number 28 regarding the 22 6 FIDIAS. This has to do with seal inventory. 23 7 MS. TSOCHLAS: Twenty-eight? 24 8 MR. O'CONNELL: I'm sorry, 26. It 25 9 indicates that broken seals were not accounted</p>

<p style="text-align: right;">Page 154</p> <p>1 10 for, recommended revision of seal procedures.</p> <p>2 11 And you indicated that you were reviewing the</p> <p>3 12 procedures. I would also note the first -- in</p> <p>4 13 the first thing listed on this spreadsheet is</p> <p>5 14 also a, I guess, a deficiency, I don't know if</p> <p>6 15 that's what you call it, or an observation,</p> <p>7 16 excuse me, from 2009 that also deals with the</p> <p>8 17 seal log or maintaining seals, I should say.</p> <p>9 18 Do you -- do you feel that Ionia has</p> <p>10 19 adequate procedures in place and they're not</p> <p>11 20 being followed or is there a problem with the</p> <p>12 21 procedure?</p> <p>13 22 THE WITNESS: Initially, we did have some</p> <p>14 23 gaps in the procedure. I think we've resolved</p> <p>15 24 those fully and the procedure is now adequate</p> <p>16 25 and now we have to ensure that it's being</p> <p>17</p> <p>18 DEL VECCHIO REPORTING</p> <p>19 (203) 245-9583</p> <p>20 133</p> <p>21 1 properly followed by all our shipboard</p> <p>22 2 personnel.</p> <p>23 3 MR. CHALOS: You're talking about the seal</p> <p>24 4 inventory log?</p> <p>25 5 MR. O'CONNELL: Yes, sir.</p>	<p style="text-align: right;">Page 156</p> <p>1 2 carried out a year later onboard the PLOUTOS.</p> <p>2 3 SPECIAL MASTER BUNDY: Was that the only</p> <p>3 4 problem with the testing that was observed in</p> <p>4 5 that audit was the use of the appropriate</p> <p>5 6 testing fluid?</p> <p>6 7 MS. TSOCHLAS: That whole procedure</p> <p>7 8 because it changes it slightly as a procedure.</p> <p>8 9 MR. WIGGER: I think there are multiple</p> <p>9 10 parts to that particular observation, one of</p> <p>10 11 which was the reading of the memory card from</p> <p>11 12 the oil content monitoring itself, I think,</p> <p>12 13 but, also, I know on some of the vessels the</p> <p>13 14 full operational test, the drawing from the</p> <p>14 15 bilge tank, processing through, and then</p> <p>15 16 returning back, you know, to the bilge tank was</p> <p>16 17 not being accomplished, and I'll tell you even</p> <p>17 18 today with a lot of the Coast Guard ports</p> <p>18 19 exams, they'll go onboard the Coast Guard and</p> <p>19 20 say let's test the OWS and they'll do an OCM</p> <p>20 21 test and that will be it. But I think for that</p> <p>21 22 reason, a lot of ships that have gotten in the</p> <p>22 23 routine that that's the operational test, when,</p> <p>23 24 in fact, it really doesn't demonstrate that the</p> <p>24 25 OWS itself is operational. So that, I think,</p> <p>25</p>
<p style="text-align: right;">Page 155</p> <p>1 6 Number 35, this also deals with the</p> <p>2 7 monthly testing of the OWS, the chief engineer</p> <p>3 8 was not familiar with the procedures.</p> <p>4 9 MS. TSOCHLAS: He was familiar with the --</p> <p>5 10 let me read this.</p> <p>6 11 Yes, it was to do, again, with the proper</p> <p>7 12 use of the testing fluid. So, we're</p> <p>8 13 continuously training our shipboard personnel</p> <p>9 14 regarding the full operational test.</p> <p>10 15 MR. O'CONNELL: So, it was a procedural</p> <p>11 16 problem, not the fact that the chief engineer</p> <p>12 17 didn't know how to do the test, is that</p> <p>13 18 correct?</p> <p>14 19 THE WITNESS: No, all our chief engineers</p> <p>15 20 know how to do the tests, but we have</p> <p>16 21 additional requirements when carrying out the</p> <p>17 22 test and using the test fluid, for one, and</p> <p>18 23 it's needed training.</p> <p>19 24 Now, this recommendation was recorded in</p> <p>20 25 September of 2010. I think that Captain Wigger</p> <p>21</p> <p>22 DEL VECCHIO REPORTING</p> <p>23 (203) 245-9583</p> <p>24 134</p> <p>25 1 did not meet that problem in his final audit</p>	<p style="text-align: right;">Page 157</p> <p>1 DEL VECCHIO REPORTING</p> <p>2 (203) 245-9583</p> <p>3 135</p> <p>4 1 was part of that, too. Of course, the test</p> <p>5 2 fluid there was a particular test, procedure</p> <p>6 3 recommended by the makers manual to introduce</p> <p>7 4 test fluid rather than a mechanical</p> <p>8 5 obstruction, and that's another common way that</p> <p>9 6 ships do test the OCM, so it's unusual for them</p> <p>10 7 to, you know, use the test fluid.</p> <p>11 8 MS. TSOCHLAS: Exactly. The normal way a</p> <p>12 9 seafarer will test the oil content, and vetting</p> <p>13 10 inspectors request it to be tested like that as</p> <p>14 11 well, is to put the brush in the -- and see if</p> <p>15 12 the alarm is triggered. That's what everybody</p> <p>16 13 does, it's not the recommended way, but it's</p> <p>17 14 what everybody does, so we've had to do a lot</p> <p>18 15 of training to get our chief engineers to be</p> <p>19 16 familiar with the proper way of testing with</p> <p>20 17 the specific type of oil content meter</p> <p>21 18 separator, which requires the use of a test</p> <p>22 19 fluid. So, it's getting our chief engineers</p> <p>23 20 familiar with, basically, what is an entirely</p> <p>24 21 new procedure for them.</p> <p>25 22 MR. CHALOS: I want to ask Captain Wigger</p>

<p style="text-align: right;">Page 158</p> <p>1 23 a question. When you went on the PLOUTOS, when</p> <p>2 24 you did the operational testing, did you have</p> <p>3 25 the right fluid?</p> <p>4</p> <p>5 DEL VECCHIO REPORTING</p> <p>6 (203) 245-9583</p> <p>7 136</p> <p>8 1 MR. WIGGER: Yes. Prior to the operation</p> <p>9 2 of the test itself, we tested the OCM with the</p> <p>10 3 fluid and, of course, there's a range there</p> <p>11 4 that's required that you should get a base of 5</p> <p>12 5 PPM, or whatever, but based upon the mixture of</p> <p>13 6 fluid, so we did that and then we actually did</p> <p>14 7 startup the OWS and we were on a wave course,</p> <p>15 8 so we did do an overboard discharge, which was,</p> <p>16 9 basically, an operation for OWS, which was</p> <p>17 10 basically a testing.</p> <p>18 11 MR. CHALOS: How about the chief engineer,</p> <p>19 12 was he able to read most of them?</p> <p>20 13 MR. WIGGER: He was very knowledgeable. I</p> <p>21 14 could say that without reservation. He is very</p> <p>22 15 familiar with it.</p> <p>23 16 MS. TSOCHLAS: He was the specific chief</p> <p>24 17 engineer that was onboard the THEO T during the</p> <p>25 18 initial audit that was carried out, as well, so</p>	<p style="text-align: right;">Page 160</p> <p>1 15 issues with the seals are a continuing problem?</p> <p>2 16 MS. TSOCHLAS: They have been a continuing</p> <p>3 17 problem. I think, though, we have come to the</p> <p>4 18 bottom of a number of the problems and we've</p> <p>5 19 probably are going to see less and less issues.</p> <p>6 20 MR. O'CONNELL: Number 50. I have a</p> <p>7 21 question, this kind of goes back to what we</p> <p>8 22 were talking about earlier in the day, but</p> <p>9 23 there was a discrepancy of 8.6 percent in the</p> <p>10 24 bilge oil tank. Now is that something that you</p> <p>11 25 knew about before the audit took place or did</p> <p>12</p> <p>13 DEL VECCHIO REPORTING</p> <p>14 (203) 245-9583</p> <p>15 138</p> <p>16 1 you find out about that after the audit?</p> <p>17 2 MS. TSOCHLAS: We knew about it before the</p> <p>18 3 audit. All kind of discrepancies we knew</p> <p>19 4 before the audit.</p> <p>20 5 SPECIAL MASTER BUNDY: Which one are we</p> <p>21 6 looking at?</p> <p>22 7 MR. O'CONNELL: 50.</p> <p>23 8 It says the chief engineer thinks that the</p> <p>24 9 discrepancy is due to the bilge tank being</p> <p>25 10 heated and there is vapor in the tank. Is that</p>
<p style="text-align: right;">Page 159</p> <p>1 19 he has a lot of experience to do with proper</p> <p>2 20 implementation of the environmental compliance</p> <p>3 21 requirements.</p> <p>4 22 MR. WIGGER: Just backing up a moment,</p> <p>5 23 though, Mr. Chalos asked me how knowledgeable</p> <p>6 24 the chief engineer was, I'm just curious, this</p> <p>7 25 was the ongoing audit that we had this</p> <p>8</p> <p>9 DEL VECCHIO REPORTING</p> <p>10 (203) 245-9583</p> <p>11 137</p> <p>12 1 observation, it was a different chief engineer</p> <p>13 2 at that time.</p> <p>14 3 MS. TSOCHLAS: That's true.</p> <p>15 4 MR. WIGGER: It wasn't the one that was</p> <p>16 5 onboard for the final audit?</p> <p>17 6 MS. TSOCHLAS: No. I can't remember who</p> <p>18 7 it was.</p> <p>19 8 MR. O'CONNELL: Number 48. This, again,</p> <p>20 9 has to do with seals that were broken in the</p> <p>21 10 engine room. This is from the THEO T from</p> <p>22 11 March of 2011.</p> <p>23 12 MS. TSOCHLAS: I believe this happened</p> <p>24 13 with the other issues after the seals.</p> <p>25 14 MR. O'CONNELL: Do you feel like the</p>	<p style="text-align: right;">Page 161</p> <p>1 11 what was ultimately determined or was there a</p> <p>2 12 different calibration issue?</p> <p>3 13 MS. TSOCHLAS: We had a technician go</p> <p>4 14 onboard and he re-calibrated all the tanks and</p> <p>5 15 the issue has been resolved.</p> <p>6 16 SPECIAL MASTER BUNDY: Have you had the</p> <p>7 17 technicians re-calibrate tanks even when it</p> <p>8 18 wasn't in response to audit finding.</p> <p>9 19 MS. TSOCHLAS: Yes, many times. Whenever</p> <p>10 20 we have a discrepancy, we get a technician</p> <p>11 21 onboard at the first port of call as we can and</p> <p>12 22 we don't wait for that.</p> <p>13 23 MR. WIGGER: This is also, I think, one of</p> <p>14 24 the audits that previous to this they were not</p> <p>15 25 doing one of the three soundings?</p> <p>16</p> <p>17 DEL VECCHIO REPORTING</p> <p>18 (203) 245-9583</p> <p>19 139</p> <p>20 1 MS. TSOCHLAS: Yes.</p> <p>21 2 MR. WIGGER: And then just from one</p> <p>22 3 sounding to the next, from one person to the</p> <p>23 4 next person, you'd get a wide variance of</p> <p>24 5 soundings, so we suggested that you take three</p> <p>25 6 and then, you know, if they're all in line with</p>

<p style="text-align: right;">Page 162</p> <p>1 7 each other, you can just choose one, if they're</p> <p>2 8 not, then you want to just double-check to make</p> <p>3 9 sure you got the right sounding, because it is</p> <p>4 10 a finesse as far as where that bottom of the</p> <p>5 11 tank is.</p> <p>6 12 MS. TSOCHLAS: And we have implemented</p> <p>7 13 that recommendation in our procedure.</p> <p>8 14 MR. WIGGER: Right. And I did observe</p> <p>9 15 that onboard the PLOUTOS with the three</p> <p>10 16 soundings.</p> <p>11 17 MR. O'CONNELL: Number 52, this has to do</p> <p>12 18 with a full operation of the test for the OWS</p> <p>13 19 for the ESTIA. Did we talk about this already?</p> <p>14 20 MS. TSOCHLAS: Yes, it's what we talked</p> <p>15 21 about earlier.</p> <p>16 22 SPECIAL MASTER BUNDY: Yes, we did.</p> <p>17 23 MR. O'CONNELL: And we resolved that</p> <p>18 24 issue.</p> <p>19 25 On 61 and 62, is this the same issue with</p> <p>20</p> <p>21 DEL VECCHIO REPORTING</p> <p>22 (203) 245-9583</p> <p>23 140</p> <p>24 1 the OWS test, that it wasn't carried out?</p> <p>25 2 MS. TSOCHLAS: It's the same issue that we</p>	<p style="text-align: right;">Page 164</p> <p>1 (203) 245-9583</p> <p>2 141</p> <p>3 1 INTERTANKO, or --</p> <p>4 2 MS. TSOCHLAS: No, we're not members of</p> <p>5 3 INTERTANKO. We're not on any -- we have a</p> <p>6 4 member on the technical committee of the Greek</p> <p>7 5 branch of the Bureau Veritas, we have a member</p> <p>8 6 of our employment on the technical committee.</p> <p>9 7 MR. O'CONNELL: One of the questions that</p> <p>10 8 I know it's in one of these spreadsheets, but I</p> <p>11 9 don't have -- I can't find it in the</p> <p>12 10 spreadsheet, but it's in the THEO T audit, and</p> <p>13 11 we talked about this at the last hearing, but I</p> <p>14 12 didn't think we got to the bottom of the</p> <p>15 13 explanation that I began, I can't find exactly</p> <p>16 14 where it is, but it had to do with the THEO T</p> <p>17 15 and there was some discrepancy with whether the</p> <p>18 16 incinerator was operational in October of 2010</p> <p>19 17 when they did the audit and the auditor saying</p> <p>20 18 that it wasn't, and I think that you had</p> <p>21 19 explained at some point that that was just a</p> <p>22 20 clerical error. Can you remind me of what that</p> <p>23 21 was?</p> <p>24 22 MS. TSOCHLAS: The chief engineer when he</p> <p>25 23 made a request for additional spare parts in</p>
<p style="text-align: right;">Page 163</p> <p>1 3 discussed earlier regarding the full operation</p> <p>2 4 of the oily water separator. That's 61. And</p> <p>3 5 62 is different, I think. Sixty-two has to do</p> <p>4 6 with a memory card and, again, the full</p> <p>5 7 operational test.</p> <p>6 8 MR. O'CONNELL: But you do have a</p> <p>7 9 procedure in place now that calls for a full</p> <p>8 10 operational test?</p> <p>9 11 MS. TSOCHLAS: We do, and we have our</p> <p>10 12 superintendents carryout training every time</p> <p>11 13 they go onboard to attend the vessel.</p> <p>12 14 MR. O'CONNELL: I don't have any -- I</p> <p>13 15 thought I had another question.</p> <p>14 16 SPECIAL MASTER BUNDY: Well, while you're</p> <p>15 17 looking, let me just ask a more general</p> <p>16 18 question.</p> <p>17 19 What -- what ministry of associations does</p> <p>18 20 Ionia belong to and has Ionia taken any</p> <p>19 21 association?</p> <p>20 22 MS. TSOCHLAS: Industry association.</p> <p>21 23 SPECIAL MASTER BUNDY: Any of you, any</p> <p>22 24 senior management, or the company itself,</p> <p>23 25 members of industry associations and</p> <p>24</p> <p>25 DEL VECCHIO REPORTING</p>	<p style="text-align: right;">Page 165</p> <p>1 24 his requisition made a note saying that the</p> <p>2 25 incinerator wasn't operating, but it was</p> <p>3</p> <p>4 DEL VECCHIO REPORTING</p> <p>5 (203) 245-9583</p> <p>6 142</p> <p>7 1 operating, and in the oil record book and trees</p> <p>8 2 and the engine room alarm printouts, you can</p> <p>9 3 see that it had been operated through that</p> <p>10 4 period, so it was a clerical error.</p> <p>11 5 MR. O'CONNELL: I talked to Mr. Wigger</p> <p>12 6 before about this, is that consistent with your</p> <p>13 7 finding, too?</p> <p>14 8 MR. WIGGER: I'm trying to recall now what</p> <p>15 9 the -- which audit was that?</p> <p>16 10 MS. TSOCHLAS: It's the final audit of the</p> <p>17 11 THEO T that was carried out at the beginning of</p> <p>18 12 this year. We have a copy of our response here</p> <p>19 13 to that.</p> <p>20 14 MR. WIGGER: I did review all the items</p> <p>21 15 and provided comments on the ones that I did</p> <p>22 16 have some issues with, that I sent to</p> <p>23 17 Mr. Bundy, Mr. Sanborn, and back to Ionia, that</p> <p>24 18 one I did review and it sounded acceptable to</p> <p>25 19 me, so I didn't dispute that.</p>

<p style="text-align: right;">Page 166</p> <p>1 20 SPECIAL MASTER BUNDY: As I recall, that</p> <p>2 21 was the issue in which the question was whether</p> <p>3 22 the chief engineer simply used a previous form</p> <p>4 23 that somebody had put on there and that the</p> <p>5 24 form was --</p> <p>6 25 MS. TSOCHLAS: And delete everything.</p> <p>7</p> <p>8 DEL VECCHIO REPORTING</p> <p>9 (203) 245-9583</p> <p>10 143</p> <p>11 1 SPECIAL MASTER BUNDY: He didn't delete</p> <p>12 2 everything from a previous form, he did it</p> <p>13 3 electronically and then sent it.</p> <p>14 4 MS. TSOCHLAS: Yeah.</p> <p>15 5 SPECIAL MASTER BUNDY: Do you -- the judge</p> <p>16 6 was interested with this, I spoke with the</p> <p>17 7 judge yesterday, and one of the question that</p> <p>18 8 she had, are you able to say in any kind of</p> <p>19 9 reasonably rough way what the total cost has</p> <p>20 10 been to Ionia for the compliance with the terms</p> <p>21 11 of probation, including the fees of all these</p> <p>22 12 people surrounding the table and everything</p> <p>23 13 else?</p> <p>24 14 MS. TSOCHLAS: Well, there's a fine, which</p> <p>25 15 we all know.</p>	<p style="text-align: right;">Page 168</p> <p>1 12 MS. TSOCHLAS: And as I said, if you take</p> <p>2 13 into account at the moment Shell will not work</p> <p>3 14 with us because we're on probation, we lose any</p> <p>4 15 cargo that's related to Shell. And Exxon Mobil</p> <p>5 16 up until the TMSA that we carried out with our</p> <p>6 17 company was the same, we lost any Exxon</p> <p>7 18 cargoes. It has affected our income.</p> <p>8 19 MR. WIGGER: But as a result of the TMSA</p> <p>9 20 audit being positive, that they've now accepted</p> <p>10 21 you?</p> <p>11 22 MS. TSOCHLAS: Yes.</p> <p>12 23 MR. O'CONNELL: Can we go to the second</p> <p>13 24 spreadsheet?</p> <p>14 25 SPECIAL MASTER BUNDY: Sure.</p> <p>15</p> <p>16 DEL VECCHIO REPORTING</p> <p>17 (203) 245-9583</p> <p>18 145</p> <p>19 1 MR. O'CONNELL: I didn't realize there was</p> <p>20 2 multiple spreadsheets when I was going through</p> <p>21 3 it.</p> <p>22 4 I believe we looked at the first</p> <p>23 5 spreadsheet in the presentation. The second</p> <p>24 6 one. It's related to recordkeeping.</p> <p>25 7 MS. TSOCHLAS: By the IEC or our internal</p>
<p style="text-align: right;">Page 167</p> <p>1 16 SPECIAL MASTER BUNDY: Without the fine.</p> <p>2 17 MS. TSOCHLAS: It works out -- if you put</p> <p>3 18 in man hours as well, it works out to about</p> <p>4 19 \$250,000 per vessel that's being included in</p> <p>5 20 the coverage, so that's quite a bit of money,</p> <p>6 21 and then there's sort of collateral loss with</p> <p>7 22 our reputation being damaged, so we don't get</p> <p>8 23 charter parties as easily, and that's probably</p> <p>9 24 the most serious loss to us, which is not</p> <p>10 25 really quantifiable.</p> <p>11</p> <p>12 DEL VECCHIO REPORTING</p> <p>13 (203) 245-9583</p> <p>14 144</p> <p>15 1 SPECIAL MASTER BUNDY: So, \$250,000 per</p> <p>16 2 vessel, for each covered vessel?</p> <p>17 3 MS. TSOCHLAS: Yes.</p> <p>18 4 SPECIAL MASTER BUNDY: So, that would be</p> <p>19 5 approximately a million dollars.</p> <p>20 6 MS. TSOCHLAS: On top of the fine.</p> <p>21 7 SPECIAL MASTER BUNDY: On top of the fine,</p> <p>22 8 right.</p> <p>23 9 MR. CHALOS: Mr. Bundy, the last</p> <p>24 10 installment of the fine was paid last week.</p> <p>25 11 We're up to date on the fine, plus interest.</p>	<p style="text-align: right;">Page 169</p> <p>1 8 audits?</p> <p>2 9 MR. O'CONNELL: That's a good question.</p> <p>3 10 MS. TSOCHLAS: It's the IEC.</p> <p>4 11 MR. O'CONNELL: We could just look at the</p> <p>5 12 THEO T audit.</p> <p>6 13 MS. TSOCHLAS: So, it's attachment 13.</p> <p>7 14 MR. O'CONNELL: Yeah, about the cleaning</p> <p>8 15 of the bilge holding tank.</p> <p>9 16 So, up until this audit in 2011, was it</p> <p>10 17 not the practice to actually clean the bilge</p> <p>11 18 holding tank or just to check it to see if it</p> <p>12 19 was clean?</p> <p>13 20 MS. TSOCHLAS: The practice was that it</p> <p>14 21 was required to be clean. Our environmental</p> <p>15 22 management plan had a requirement that had to</p> <p>16 23 be cleaned and it was being cleaned. It was</p> <p>17 24 the wording that was wrong in the task that's</p> <p>18 25 related to the planned maintenance system and</p> <p>19</p> <p>20 DEL VECCHIO REPORTING</p> <p>21 (203) 245-9583</p> <p>22 146</p> <p>23 1 the electronic system.</p> <p>24 2 MR. O'CONNELL: So, it was a clerical</p> <p>25 3 error that it wasn't being performed?</p>

<p style="text-align: right;">Page 170</p> <p>1 4 MS. TSOCHLAS: Exactly.</p> <p>2 5 SPECIAL MASTER BUNDY: Is it that they</p> <p>3 6 weren't entering it into the oil record book,</p> <p>4 7 the cleaning as well, is that the issue?</p> <p>5 8 MS. TSOCHLAS: There was also that issue,</p> <p>6 9 yeah.</p> <p>7 10 SPECIAL MASTER BUNDY: So, the PMS system</p> <p>8 11 did not require cleaning by its terms, and as</p> <p>9 12 you would go through the task that the PMS</p> <p>10 13 system set, it just said inspect and clean if</p> <p>11 14 necessary, but, in fact, the record showed that</p> <p>12 15 it was, in fact, cleaned.</p> <p>13 16 MS. TSOCHLAS: Yes, it's been corrected.</p> <p>14 17 MR. CHALOS: Mr. Bundy, if I could say, I</p> <p>15 18 mean, overriding all of this, you know, the</p> <p>16 19 cleaning of the bilge tank and the various</p> <p>17 20 other things, you have these records that come</p> <p>18 21 out of the SWOMS system and it shows you the</p> <p>19 22 average PPM that goes over the side, which is</p> <p>20 23 always going to be less than 15. So, you're</p> <p>21 24 getting empirical data, you know, to back up</p> <p>22 25 the fact that these tanks are relatively clean,</p> <p>23</p> <p>24 DEL VECCHIO REPORTING</p> <p>25 (203) 245-9583</p>	<p style="text-align: right;">Page 172</p> <p>1 25 rationale, but, again, I'm thinking most of the</p> <p>2</p> <p>3 DEL VECCHIO REPORTING</p> <p>4 (203) 245-9583</p> <p>5 148</p> <p>6 1 audits, we had pictures of the contents of the</p> <p>7 2 bilge holding tank that indicate that it was</p> <p>8 3 very clean.</p> <p>9 4 SPECIAL MASTER BUNDY: Mr. O'Connell,</p> <p>10 5 you're still perusing?</p> <p>11 6 MR. O'CONNELL: No, I don't have anymore</p> <p>12 7 questions.</p> <p>13 8 SPECIAL MASTER BUNDY: Any questions,</p> <p>14 9 Mr. Chalos, to follow up on anything?</p> <p>15 10 MR. CHALOS: No, I think Miss Tsochlas did</p> <p>16 11 a terrific job of telling us exactly what</p> <p>17 12 they're doing, how they're doing it, and, you</p> <p>18 13 know, it's obvious to me that there's been a</p> <p>19 14 tremendous improvement each time we have one of</p> <p>20 15 these hearings, each time there's an audit, the</p> <p>21 16 issues that are dealt with has given us a very,</p> <p>22 17 very good final product here for compliance.</p> <p>23 18 SPECIAL MASTER BUNDY: Anything, Captain</p> <p>24 19 Wigger, that you believe is necessary to</p> <p>25 20 supplement anything that's been said?</p>
<p style="text-align: right;">Page 171</p> <p>1 147</p> <p>2 1 you know, throughout the whole period, and</p> <p>3 2 then, of course, every six months they're</p> <p>4 3 getting cleaned anyway, so it isn't as though</p> <p>5 4 the tanks are dirty and dirty water is being</p> <p>6 5 put over to the side, I mean, the systems</p> <p>7 6 prevent all that.</p> <p>8 7 SPECIAL MASTER BUNDY: I understand that.</p> <p>9 8 And that's consistent with the audit</p> <p>10 9 results, Captain?</p> <p>11 10 MR. WIGGER: I think -- well, at least the</p> <p>12 11 audits I've done, and checking go bilge tanks</p> <p>13 12 and on the Ionia ships, we very seldom found</p> <p>14 13 any oil in the bilge holding tank at all.</p> <p>15 14 Again, that's part of the management of</p> <p>16 15 the engine waste, directing any lube oil</p> <p>17 16 leakages toward the proper tanks and keeping</p> <p>18 17 the bilge tank as clean as possible. But it is</p> <p>19 18 conceivable that the chief engineer will go</p> <p>20 19 look at the bilge tank and he'll pump</p> <p>21 20 everything out and it will be clean. So, he</p> <p>22 21 might look in there and say, well, I don't</p> <p>23 22 really need to clean this, it's just sending</p> <p>24 23 people in a tank in a confined space for why?</p> <p>25 24 So, I don't know if that enters in the</p>	<p style="text-align: right;">Page 173</p> <p>1 21 MR. WIGGER: Probably, just re-emphasizing</p> <p>2 22 overall from start to finish, understanding</p> <p>3 23 where Ionia was at the beginning of the process</p> <p>4 24 and where Ionia is now, as Mr. Chalos</p> <p>5 25 mentioned, the responsiveness to audit findings</p> <p>6</p> <p>7 DEL VECCHIO REPORTING</p> <p>8 (203) 245-9583</p> <p>9 149</p> <p>10 1 has been very, very positive, and, again, as</p> <p>11 2 we -- I always compare to dealing with other</p> <p>12 3 cases because sometimes it's not as positive</p> <p>13 4 and as responsive and so it has been, you know,</p> <p>14 5 very good to work with Ionia in that sense that</p> <p>15 6 everything has been taken there, whether</p> <p>16 7 onboard or after the audit, no real arguments</p> <p>17 8 about the findings. There may be some</p> <p>18 9 questions about specifically what we meant by a</p> <p>19 10 particular finding, but overall the response</p> <p>20 11 has been very, very positive and I think that's</p> <p>21 12 commendable. And, again, along the way it's</p> <p>22 13 been a very aggressive improvement throughout</p> <p>23 14 the process.</p> <p>24 15 SPECIAL MASTER BUNDY: Mr. Sanborn,</p> <p>25 16 anything.</p>

<p style="text-align: right;">Page 174</p> <p>1 17 MR. SANBORN: The thing that resonates</p> <p>2 18 with me through all of these hearings is -- and</p> <p>3 19 Captain Wigger said something -- which is that</p> <p>4 20 Ionia has been, at least from my perspective,</p> <p>5 21 very responsive to input. I've made a few</p> <p>6 22 suggestions and they pale by comparison, but</p> <p>7 23 very -- not only responsive, but they've</p> <p>8 24 implemented virtually all of them that made</p> <p>9 25 sense, they've made very good use of systems,</p> <p>10</p> <p>11 DEL VECCHIO REPORTING</p> <p>12 (203) 245-9583</p> <p>13 150</p> <p>14 1 and I realize we have computer interests for</p> <p>15 2 some time, but they've used them very</p> <p>16 3 effectively for managing the processes, for</p> <p>17 4 communication, and for all of the things that</p> <p>18 5 you like to see in a heads-up company. I've</p> <p>19 6 been involved with, I think, seven of these</p> <p>20 7 cases, and two of which were very large</p> <p>21 8 companies, one managing over 100 ships, one</p> <p>22 9 managing something like 220, and the number</p> <p>23 10 keeps going up, they have -- as you would</p> <p>24 11 expect of companies that size, they would have</p> <p>25 12 systems because they would be crucial to all of</p>	<p style="text-align: right;">Page 176</p> <p>1 9 manning sources and training sources, and that</p> <p>2 10 was not a one shot affair, Captain Suntays has</p> <p>3 11 gone out and met with those people and made</p> <p>4 12 changes. But the attitude that I've seen in</p> <p>5 13 terms of the people has been what people I've</p> <p>6 14 come in contact with and has been mentioned</p> <p>7 15 here today is very positive. I viewed</p> <p>8 16 religiously and carefully the audits as</p> <p>9 17 everybody, I think, here has, and it's</p> <p>10 18 unmistakable the progress that's been made.</p> <p>11 19 I've seen the things that I would have</p> <p>12 20 hope to have seen from the get-go and I am very</p> <p>13 21 pleased with what I've seen.</p> <p>14 22 SPECIAL MASTER BUNDY: Does anybody else</p> <p>15 23 have any questions? Any offer of any other</p> <p>16 24 testimony, evidence, exhibits, anything like</p> <p>17 25 that?</p> <p>18</p> <p>19 DEL VECCHIO REPORTING</p> <p>20 (203) 245-9583</p> <p>21 152</p> <p>22 1 Great. I think that we probably are about</p> <p>23 2 wrapped up.</p> <p>24 3 What I'm going to do is try to get to</p> <p>25 4 Judge Arterton within 10 days so that will give</p>
<p style="text-align: right;">Page 175</p> <p>1 13 their operations. By comparison, we're talking</p> <p>2 14 about a company with half a dozen similar</p> <p>3 15 configured ships and, essentially, the same</p> <p>4 16 trade and, yet, they don't have to take their</p> <p>5 17 hat off to anybody in terms of the quality of</p> <p>6 18 their systems and the application of those</p> <p>7 19 tools, not only in this area, but if you look</p> <p>8 20 through the training in some of the other areas</p> <p>9 21 as well, safety, they've used their systems, I</p> <p>10 22 think, to a greater advantage.</p> <p>11 23 The other thing that strikes me and it's a</p> <p>12 24 thing that I look for, whether as a consultant</p> <p>13 25 in this case or as a Court appointed monitor in</p> <p>14</p> <p>15 DEL VECCHIO REPORTING</p> <p>16 (203) 245-9583</p> <p>17 151</p> <p>18 1 other cases, right from the get-go, I've been</p> <p>19 2 looking for attitude. I met very early on in</p> <p>20 3 the process -- Ms. Tsochlas had just come</p> <p>21 4 onboard and I met with the managing director</p> <p>22 5 and all of the key people, and early on I saw</p> <p>23 6 at that initial meeting, I saw an emphasis of</p> <p>24 7 going into training with a great deal of</p> <p>25 8 hands-on and also working very closely with the</p>	<p style="text-align: right;">Page 177</p> <p>1 5 her a month or so to get out her final order on</p> <p>2 6 how she's going to handle this.</p> <p>3 7 I would expect that there will be no</p> <p>4 8 surprises in this thing. So, we'll go ahead</p> <p>5 9 and adjourn and I'll get my report out as soon</p> <p>6 10 as I possibly can and get it to the judge and</p> <p>7 11 get it to everybody. So, I suppose if you have</p> <p>8 12 anything that you want me to add or object or</p> <p>9 13 whatever to it, you can get it into Judge</p> <p>10 14 Arterton and you'll have plenty of time to</p> <p>11 15 decide it before the technical end of probation</p> <p>12 16 when she enters a final order.</p> <p>13 17 MR. CHALOS: Yes, Mr. Bundy, Miss Tsochlas</p> <p>14 18 has done a very nice job at the end in her</p> <p>15 19 conclusory paragraph, it's slides 80 -- well,</p> <p>16 20 81.</p> <p>17 21 SPECIAL MASTER BUNDY: Uh huh.</p> <p>18 22 (Affirmative).</p> <p>19 23 MR. CHALOS: That kind of summarizes their</p> <p>20 24 efforts, where they started and where they are</p> <p>21 25 today, and, you know, I think the main</p> <p>22</p> <p>23 DEL VECCHIO REPORTING</p> <p>24 (203) 245-9583</p> <p>25 153</p>

<p style="text-align: right;">Page 178</p> <p>1 1 objective of the scope of work was to transform</p> <p>2 2 the company, if you will, from an environmental</p> <p>3 3 scofflaw to a good corporate citizen, I think</p> <p>4 4 they've done that, and they've done that with a</p> <p>5 5 lot of hard work, with money, but most</p> <p>6 6 importantly it changed their culture, and that</p> <p>7 7 changed, as Mr. Sanborn said, starting from at</p> <p>8 8 the very top. I mean, you can't change the</p> <p>9 9 culture from the bottom up, it's got to be from</p> <p>10 10 the top down, and I think this company has done</p> <p>11 11 a great job in doing that.</p> <p>12 12 As Mr. Wigger said, I'm involved in a lot</p> <p>13 13 of these cases and their performance has been</p> <p>14 14 exceptional and I think it's deserving of --</p> <p>15 15 from the standpoint of probation of ending the</p> <p>16 16 probation on a high note. They've done what</p> <p>17 17 they've been asked and Miss Tsochlas has said</p> <p>18 18 before, they intend to continue, you know, they</p> <p>19 19 put a lot of money and a lot of effort in this</p> <p>20 20 and it has paid off not only in terms of</p> <p>21 21 meeting probation and meeting the conditions of</p> <p>22 22 probation, but in terms of their standing in</p> <p>23 23 the industry. So, they have a motive to</p> <p>24 24 continue doing it, and based on what Miss</p> <p>25 25 Tsochlas said, and what Mr. Karagiorgis said,</p>	<p style="text-align: right;">Page 180</p> <p>1 22</p> <p>2 23</p> <p>3 24</p> <p>4 25</p> <p>5</p> <p>6 DEL VECCHIO REPORTING</p> <p>7 (203) 245-9583</p> <p>8 155</p> <p>9 1</p> <p>10 2 CERTIFICATE</p> <p>11 3 STATE OF CONNECTICUT</p> <p>12 4 ss: New Haven</p> <p>13 5 COUNTY OF NEW HAVEN</p> <p>14 6</p> <p>15 7 I, Victorine Kaliszewski, a Notary</p> <p>16 8 Public in and for the State of Connecticut, duly</p> <p>17 9 commissioned and qualified and authorized to</p> <p>18 10 administer oaths, do hereby certify that I was</p> <p>19 11 attended at the United States District Court,</p> <p>20 12 District of Connecticut, 141 Church Street, New</p> <p>21 13 Haven, Connecticut, on October 19, 2011, starting at</p> <p>22 14 9:00 a.m., by counsel for the respective parties as</p> <p>23 15 appears in the herein-entitled cause, SPECIAL</p> <p>24 16 MASTER'S HEARING; that said witnesses were duly</p> <p>25 17 sworn by me and thereupon testified as appears in</p>
<p style="text-align: right;">Page 179</p> <p>1</p> <p>2 DEL VECCHIO REPORTING</p> <p>3 (203) 245-9583</p> <p>4 154</p> <p>5 1 they are going to continue and they're going to</p> <p>6 2 continue to be good corporate citizens as best</p> <p>7 3 I can tell from where I sit.</p> <p>8 4 SPECIAL MASTER BUNDY: All right. Well,</p> <p>9 5 it's been a very interesting three years and I</p> <p>10 6 appreciate very much you traveling all this</p> <p>11 7 way, particularly with the child at home.</p> <p>12 8 MS. TSOCHLAS: Well, it was a pleasure.</p> <p>13 9 SPECIAL MASTER BUNDY: And, like I said,</p> <p>14 10 it's been a pleasure working with all of you,</p> <p>15 11 and we'll get something out within 10 days, I</p> <p>16 12 hope, and everybody will have a chance to make</p> <p>17 13 any objections, or comments, whatever you want,</p> <p>18 14 and hopefully the judge will rule and that will</p> <p>19 15 be the end of it.</p> <p>20 16 Thank you very much.</p> <p>21 17 MR. CHALOS: Thank you very much.</p> <p>22 18 (Whereupon, the hearing was</p> <p>23 19 concluded.)</p> <p>24 20</p> <p>25 21</p>	<p style="text-align: right;">Page 181</p> <p>1 18 the foregoing transcript; that said testimony was</p> <p>2 19 taken stenographically by me in the presence of</p> <p>3 20 counsel for the respective parties and reduced to</p> <p>4 21 typewriting under my direction; that the foregoing</p> <p>5 22 is a true and correct transcript of the testimony.</p> <p>6 23 I also certify that I am neither of</p> <p>7 24 counsel nor attorney to either of the parties to</p> <p>8 25 said suit, nor am I an employee of either party to</p> <p>9</p> <p>10 DEL VECCHIO REPORTING</p> <p>11 (203) 245-9583</p> <p>12 156</p> <p>13 1 said suit, or of either counsel in said suit, nor am</p> <p>14 2 I interested in the outcome of said cause.</p> <p>15 3 Witness my hand and Seal as such Notary</p> <p>16 4 Public at New Haven, Connecticut this 25th day of</p> <p>17 5 October, 2011.</p> <p>18 6</p> <p>19 7</p> <p>20 8</p> <p>21 9 VICTORINE KALISZEWSKI</p> <p>22 9 COURT REPORTER</p> <p>23 10 NOTARY PUBLIC</p> <p>24 11</p> <p>25 12 My Commission Expires:</p>

1 13 November 30, 2015
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